FIORE GOLD

Management's Discussion and Analysis of

FIORE GOLD LTD.

For the three and six months ended March 31, 2018

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

This Management's Discussion & Analysis ("MD&A") of Fiore Gold Ltd. (the "Company", "we", "our", "us" or "Fiore Gold") has been prepared to enable a reader to assess material changes in financial condition and results of operations as at and for the three and six months ended March 31, 2018 ("Q2 2018"). The MD&A should be read in conjunction with the management's discussion and analysis and the audited consolidated financial statements for the years ended September 30, 2017 and 2016 (the "Consolidated Financial Statements"), prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and the unaudited condensed interim consolidated financial statements ("interim financial statements") of the Company for the three and six months ended March 31, 2018 and 2017 (prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34")). The information provided herein supplements, but does not form part of, the interim financial statements and includes financial and operational information from the Company's subsidiaries. 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" herein and within the MD&A for the years ended September 30, 2017 and 2016.

The report is dated as of May 16, 2018. All references to the Company includes its subsidiaries unless the context requires otherwise.

OVERVIEW

Fiore Gold Ltd. is a growing gold producer, developer and explorer focused on precious metal projects in the United States and Chile. Fiore operates the Fiore Gold Pan Mine ("Pan"), an open pit, heap leach mine in White Pine County, Nevada. The nearby Gold Rock project, and the Golden Eagle project in Washington State, are advanced stage exploration projects with identified gold mineralization. Pampas El Peñon, Cerro Tostado and Río Loa 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 and the Chilean properties were acquired through the Arrangement Agreement with Fiore Exploration Ltd. on September 25, 2017.

The Pan mine continued its successful ramp-up reflected by our first quarter of positive operating cash flow, an important milestone for the Company. The mining rate is ahead of plan and the leach pad is performing to designed permeability expectations for blended rock and clay run-of-mine ores. Fiore Gold continues to have a debt-free capital structure.

Our vision is 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.

Our strategy to enhance the value of the Company 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; and
- acquire additional production or near-production assets in Nevada and surrounding states.

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.

Q2 2018 OPERATIONAL, FINANCIAL AND ORGANIC GROWTH HIGHLIGHTS

Financial Highlights

- Recorded quarterly revenues of $11.51 million with a gross margin of $3.60 million or 31%
- Generated quarterly operating cash flow of $1.71 million, relative to a use of $1.58 million during Q1 of 2018
- Maintained a strong balance sheet with no debt and working capital of $16.21 million as of March 31, 2018
- Net income attributable to shareholders of $3.28 million, or $0.03 per share

Operating Highlights

- Gold production of 8,695 ounces, representing a 31% increase over Q1 2018
- Gold sales of 8,673 ounces at an average realized price of $1,327 per ounce
- Mine production costs are slightly ahead of budget at $2.90 per ton ($5.84 per ore ton) mined through the first two quarters of 2018
- Q2 2018 all-in sustaining costs per ounce sold of $989, representing a 45% decrease from Q1 2018
- Maintained an increased mining rate at the Pan Mine above 14,000 ore tons per day ("tpd")

Organic Growth Highlights

- The drilling program targeting resource and reserve growth at Pan has resulted in positive drill results
- A promising high-sulphidation epithermal gold target was identified at the Rio Loa project in Chile

Q2 2018 was significant for Fiore as the Pan mine transitioned to positive operating cash flow. The mining rate has steadily increased, with the daily mining rate of 14,664 ore tons per day in excess of the planned 14,000 ore tons per day. Relative to Q1 2018, gold production increased by 31% and all-in sustaining cost per ounce decreased by 45%, driving significant operating cash flow improvement. While gold ounce inventory on the leach pad increased during the quarter, the working capital increase associated with this buildup has minimized during February and March 2018 when ounces sold was only a few hundred ounces short of ounces placed.

At our nearby Gold Rock project, the Final Environmental Impact Statement ("FEIS") is with the Bureau of Land Management's Washington D.C. office for final review and publication. The process to publish the FEIS is anticipated to be completed in the second quarter of calendar 2018, with the Record of Decision ("ROD") to follow within 45 days of publication.

We also commenced a 11,500 ft exploration and development drilling program at Pan as part of a longer-term program aimed at expanding the resource and reserve base. We have also approved an additional 16,500 ft of RC drilling, and 4,900 ft of diamond drilling at Pan in FY2018, as well as 14,000 ft of RC drilling at the nearby Gold Rock project. Drilling is ongoing at Pan, while drilling at Gold Rock is scheduled to start in July. The Pan program is intended to test the potential to expand the existing oxide reserves both at depth and laterally beyond the current reserve boundaries, particularly targeting Red Hill which hosts the highest-grade portion of the Pan deposit.

On May 7, 2018, we announced that Mr. Fritz Schaudies retired as the Company's Chief Financial Officer and was replaced by Barry O'Shea. Mr. O'Shea has spent the past eight years at New Gold initially as Vice President, Finance where he oversaw financial reporting, financial planning, internal audit and tax. More recently, he was Vice President, Business Development with responsibility for corporate development, investor relations and strategic capital allocation. Prior to New Gold, Mr. O'Shea worked in progressively senior finance roles at Lincoln Electric, after which he was the Chief Financial Officer for Gate Gourmet North America. Mr. O'Shea brings Fiore Gold a balanced mix of skills in financial stewardship, capital markets, operational planning and mine construction. Mr. O'Shea has an Honours Business Administration degree from the Ivey Business School and is a Chartered Management Accountant.

ACQUISITION OF ASSETS

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.

OUTLOOK FOR 2018 UPDATE

We are expecting to be near the lower end of our production guidance range of 35,000 to 40,000 gold ounces. As noted in our guidance, our mine plan targeted a sustained 14,000 ore tons per day production rate with higher ore grades expected during the second half of the year. As such, gold production is expected to be weighted to the second half of the year. The year to date mining rate of 14,747 ore tons per day has exceeded the guidance of 14,000 ore tons per day and ore grade has reconciled in line with plan. However, timing of ounces coming off the leach pad has been slightly slower than expected.

In line with production expected to be near the lower end of our guidance range, costs per ounce are expected to be moderately higher than stated guidance.

The Board of Directors has approved an exploration and developmental drilling program at Pan, which was not originally budgeted or part of the original capital expenditures guidance. The spend during the remainder of the fiscal year is anticipated to be between $1.0 and $1.5 million. Please refer to the Pan property section of this MD&A for further information regarding the drilling program.

REVIEW OF OPERATING RESULTS

		Three Months Ended March 31,		Six Months Ended March 31,	
Operating Results		**2018**	**2017**	**2018**	**2017**
Ore Mined	(t)	1,319,796	499,290	2,683,933	526,690
Waste Mined	(t)	1,316,183	214,944	2,707,572	217,844
Total Mined	(t)	2,635,979	714,234	5,391,505	744,534
Gold Ounces Mined	(oz)	16,869	7,666	34,550	7,970
Ore Grade Mined	(oz/t)	0.013	0.015	0.013	0.015
Strip Ratio	waste/ore	1.00	0.43	1.01	0.41
Gold Ounces Produced	(oz)	8,695	1,765	15,339	2,243
Gold Ounces Sold (Payable)	(oz)	8,673	1,485	15,140	1,992
Average Realized Price[1]	$/oz	1,327	1,228	1,306	1,230
Total Cash Costs per Ounce[1]	$/oz	826	797	824	797
Cost of Sales per Ounce[1]	$/oz	912	824	901	824
All-in Sustaining Costs per Ounce[1, 2]	$/oz	989	1,768	1,344	3,001
Mine Production Costs	$ millions	8.02	1.60	15.66	1.60
Royalties and Treatment/Refining Costs	$ millions	0.64	0.05	0.99	0.05
Inventory Movements	$ millions	(1.36)	(1.05)	(3.92)	(1.05)
Total Production Costs	$ millions	7.30	0.60	12.73	0.60
Capital Expenditures	$ millions	0.36	1.75	5.73	4.55

[1] Average realized price, total cash costs per ounce, cost of sales per ounce and all-in sustaining costs per ounce are non-IFRS financial measures 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.

Three Months Ended March 31, 2018

Pre-commercial production costs until March 1, 2017 were capitalized as a Mineral Property cost on the Consolidated Statements of Financial Position.

Mining

- We utilize a third-party contractor, Ledcor CMI, Inc. ("Ledcor") for our mining operations at the Pan Mine. During the second quarter of 2018, we mined 1,319,796 ore tons, with 521,137 ore tons from the South pit and 798,659 ore tons from the North pit. At a mining rate of 14,664 ore tons per day mined during the second quarter of 2018, we are ahead of our targeted sustained mining rate of 14,000 ore tons per day during 2018. During the comparable period of 2017, we mined 499,290 ore tons, 262,021 of which were during March 2017, subsequent to the commencement of commercial production on March 1, 2017.
- 1,316,183 waste tons were mined leading to a strip ratio during the second quarter of 2018 of 1.0:1.0 waste tons to ore tons mined. During the comparable period of 2017, 214,944 waste tons were mined, 156,189 of which were subsequent to the commencement of commercial production on March 1, 2017.
- Ore grade mined during the second quarter of 2018 was 0.013 gold ounces per ore ton, consistent with the first quarter of 2018. Higher ore grades are anticipated during the last two quarters of 2018. During the comparable period of 2017, the ore grade mined was 0.015 gold ounces per ore ton.

Processing

- We do not currently utilize a crusher but are running test pad studies to determine if the use of one would be economically favorable to our operations. All ore is currently placed and leached as run-of-mine directly on the leach pad. 1,319,796 ore tons were mined, and 1,346,909 ore tons were placed on the leach pad during the second quarter of 2018. The average ore grade was 0.013 gold ounces per ore ton, resulting in 16,869 contained ounces mined and 17,180 contained ounces placed. We currently estimate run-of-mine gold recoveries to be 50% on north pit ore and 75% on south pit ore. Based upon the approximate 61% north pit ore and 39% south pit ore placed on the pad during the period, we estimated an overall recovery of 60% resulting in an estimated 9,967 recoverable ounces placed.
- We produced 8,695 gold ounces and sold 8,673 gold ounces during the second quarter of 2018. Cash used in the build-up of leach pad inventories at the Pan Mine has slowed during the second quarter as gold ounces placed into inventory and gold ounces sold out of inventory have evened out during February and March 2018. During the comparable period of 2017, we produced 1,765 gold ounces, 1,048 during the month of March and sold 1,485 gold ounces, 755 of which was during the month of March.

Costs – Operations

- Total mining costs were $5.56 million for the second quarter of 2018, or $2.11 per ton mined and $4.21 per ore ton mined. During the second quarter of 2017, commercial production mining costs were $0.78 million, or $1.87 per ton mined and $2.98 per ore ton mined.
- Total processing costs were $1.54 million for the second quarter of 2018, or $0.58 per ton mined and $1.17 per ore ton mined. During the second quarter of 2017, commercial production processing costs were $0.35 million, or $0.83 per ton mined and $1.33 per ore ton mined.
- Total mine site administration costs were $0.92 million for the first quarter of 2018, or $0.35 per ton mined and $0.70 per ore ton mined. During the second quarter of 2017, commercial production mine site administration costs were $0.47 million, or $1.13 per ton mined and $1.80 per ore ton mined.
- Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

Six Months Ended March 31, 2018

Pre-commercial production costs until March 1, 2017 were capitalized as a Mineral Property cost on the Consolidated Statements of Financial Position.

Mining

- During the six months ended March 31, 2018, we mined 2,683,933 ore tons. At a mining rate of 14,747 ore tons per day mined during this period, we have exceeded our targeted mining rate of 14,000 ore tons per day during 2018. During the comparable period of 2017, we mined 526,690 ore tons, 262,021 of which were during March, subsequent to the commencement of commercial production.
- 2,707,572 waste tons were mined leading to a strip ratio during the six months ended March 31, 2018 of 1.01:1 waste tons to ore tons mined. The strip ratio is projected to be substantially higher during the second half of the year due to mining a higher grade and higher strip ratio satellite deposit. During the comparable period of 2017, 217,844 waste tons were mined, 156,189 of which were subsequent to March 1, 2017.

- Ore grade mined during the six months ended March 31, 2018 was 0.013 gold ounces per ore ton. Higher ore grades are anticipated during the remainder of 2018. During the comparable period of 2017, the ore grade mined was 0.015 gold ounces per ore ton.

Processing

- We placed and leached all ore as run-of-mine directly on the leach pad. 2,683,933 ore tons were mined, and 2,681,279 ore tons were placed on the leach pad during the six months ended March 31, 2018. The average ore grade was 0.013 gold ounces per ore ton, resulting in 34,550 contained ounces mined and 34,498 contained ounces placed. We currently estimate run-of-mine gold recoveries to be 50% on north pit ore and 75% on south pit ore. Based upon the approximate 58% from north pit ore and 42% from south pit ore placed on the pad during the period, we estimated an overall recovery of 60% resulting in an estimated 20,652 recoverable ounces placed.
- We produced 15,339 gold ounces and sold 15,140 gold ounces during the six months ended March 31, 2018. During the comparable period of 2017, we produced 2,243 gold ounces, 1,048 during the month of March and sold 1,992 gold ounces, 755 of which during the month of March.

Costs – Operations

- Total mining costs were $10.94 million for the six months ended March 31, 2018, or $2.03 per ton mined and $4.08 per ore ton mined. During the six months ended March 31, 2017, commercial production mining costs were $0.78 million, or $1.87 per ton mined and $2.98 per ore ton mined.
- Total processing costs were $2.82 million for the six months ended March 31, 2018, or $0.52 per ton mined and $1.05 per ore ton mined. During the six months ended March 31, 2017, commercial production processing costs were $0.35 million, or $0.83 per ton mined and $1.33 per ore ton mined.
- Total mine site administration costs were $1.90 million for the six months ended March 31, 2018, or $0.35 per ton mined and $0.71 per ore ton mined. During the six months ended March 31, 2017, commercial production mine site administration costs were $0.47 million, or $1.13 per ton mined and $1.80 per ore ton mined.
- All-in Sustaining Costs per ounce for the six months ended March 31, 2018 contains the capital expenditures of the Phase II leach pad, resulting in a higher cost per ounce during this period. Budgeted capital expenditures for the remainder of FY 2018 are expected to be substantially lower.
- Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

REVIEW OF FINANCIAL RESULTS

($000's)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Six Months Ended March 31, 2018	Six Months Ended March 31, 2017
Revenue	$ 11,512	$ 936	$ 19,771	$ 936
Production Costs	(7,296)	(602)	(12,731)	(602)
Depreciation and Depletion	(618)	(20)	(906)	(20)
Total Cost of Sales	$ (7,914)	$ (622)	$ (13,637)	$ (622)
Gross Profit	3,598	314	6,134	314
Exploration and Administrative Expenses				
Project Exploration and Evaluation	(416)	(187)	(904)	(676)
Consulting Fees	(60)	-	(112)	(12)
Depreciation	(5)	(6)	(11)	(12)
Legal, Audit and Accounting	(69)	(33)	(255)	(305)
Office and Administrative	(274)	(115)	(524)	(211)
Salaries and Benefits	(608)	(469)	(1,050)	(976)
Share Based Compensation	(285)	-	(573)	-
Travel and Other	(35)	(39)	(79)	(90)
Total	$ (1,752)	$ (849)	$ (3,508)	$ (2,282)
Other Income (Expense)				
Accretion Expense	(114)	(72)	(197)	(133)
Change in Fair Value of Warrant Derivative	1,678	-	3,797	-
Loss on Mineral Property Abandonment	(104)	-	(104)	-
Foreign Exchange Loss	(43)	-	(87)	(1)
Other Income (Expense)	19	-	39	(1)
Total	$ 1,436	$ (72)	$ 3,448	$ (135)
Income / (Loss) Before Taxes	3,282	(607)	6,074	(2,103)
Income Tax Benefit (Expense)	-	-	-	-
Net Income / (Loss)	$ 3,282	$ (607)	$ 6,074	$ (2,103)
Total Assets	$ 49,787	$ 16,333	$ 49,787	$ 16,333
Non-Current Liabilities	$ 6,037	$ 2,413	$ 6,037	$ 2,413

($000's) Production Costs	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Six Months Ended March 31, 2018	Six Months Ended March 31, 2017
Mine Production Costs	7,887	1,602	15,413	1,602
Royalties and Mining Taxes	630	51	970	51
Share Based Compensation in Production Costs	133	-	250	-
Selling Expenses and Silver Credits	10	3	19	3
Inventory Movements	(1,364)	(1,054)	(3,921)	(1,054)
Total Production Costs	$ 7,296	$ 602	$ 12,731	$ 602

($000's) Depreciation and Depletion Expenses	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Six Months Ended March 31, 2018	Six Months Ended March 31, 2017
Depreciation and Depletion	1,172	66	1,654	66
Inventory Movements - Non-Cash	(554)	(46)	(748)	(46)
Total Depreciation and Depletion Expenses	$ 618	$ 20	$ 906	$ 20

Review of financial results for the three months ended March 31, 2018 and 2017

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

Revenue

During the three months ended March 31, 2018 revenue was $11.51 million from the sale of 8,673 gold ounces at an average realized gold price of $1,327 per ounce.

During the three months ended March 31, 2017 we sold 1,485 gold ounces at an average price of $1,228 per ounce for sales of $1.82 million. During the month of March 2017, we sold 755 gold ounces for revenue of $0.94 million. Pre-commercial production sales during January and February of 2017 were recorded as a decrease to Mineral Properties.

	Three Months Ended March 31,		
Spot Price per Ounce of Gold	**2018**	**2017**	**% Change**
High	$ 1,355	$ 1,258	8%
Low	$ 1,308	$ 1,151	14%
Average	$ 1,329	$ 1,219	9%
Average Realized	$ 1,327	$ 1,228	8%

Production Costs

For the three months ended March 31, 2018, mine production costs were $7.89 million, with $0.13 million in share-based compensation expense allocated to production costs along with $0.64 million of royalty and net proceeds of mine tax expense, treatment and refining costs. Inventory movements resulted in a $1.36 million reduction to total production costs in the current period.

Mine production costs of $2.43 million for the first two months of the quarter ended March 31, 2017 were recorded as an increase to Mineral Properties on the consolidated statements of financial position as the Pan Mine was in the pre-commercial production phase. During March of 2017, $1.60 million of mine production costs were incurred along with $0.05 million of royalty expense, treatment and refining costs. Inventory movements offset $1.05 million of production costs in the prior year period.

See Review of Operating Results section for additional information.

Depreciation and Depletion

Depreciation and depletion expense for the three months ended March 31, 2018 was $0.62 million. The prior year period saw all but one month of depreciation and depletion expenses recorded as an increase to Mineral Properties as the Pan Mine was in the pre-commercial production phase. The depreciable asset base has also significantly increased with the construction of the phase II heap leach pad going into service at the end of December 2017.

Inventory movements resulted in a $0.55 million reduction in depreciation and depletion in the current period, compared to a $0.05 million reduction in the prior period.

Exploration and Evaluation Expenditures

For the three months ended March 31, 2018 exploration and evaluation expenses were $0.42 million, $0.23 million higher than the prior year comparative period. Approximately half of the costs during the current period are related to exploration activity and consultants for the Chilean properties, with the remainder of the costs associated with Gold Rock permitting efforts and Pan exploration drilling. The prior year period costs were primarily for permitting and resource work at our Gold Rock and Golden Eagle exploration properties. Note the infill drilling program performed at Pan during the prior period 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 three months ended March 31, 2018 was $1.34 million, $0.67 million higher compared to the prior year period of $0.66 million. Higher general and administrative expense for the period is due to $0.29 million of share-based compensation expense, compared to none for the prior year period, along with higher corporate office employee costs such as an increase of $0.16 million in office & administrative costs and $0.14 million of higher salaries and benefits expense when compared to the prior year period.

Change in Fair Value of Warrant Derivative

Change in the fair value of warrant derivatives for the three months ended March 31, 2018 was a gain of $1.68 million with no expense in the prior year period. We issued 22,214,910 warrants denominated in the Canadian dollar during the year ended September 30, 2017, which resulted in derivative liabilities due to our functional currency being the U.S. dollar. The gain is due to a decrease in our stock price from December 31, 2017 and the passage of time. There was no gain or expense recognized during the prior year period. Refer to Note 9 of the interim financial statements for further information.

Other Expense

Other expenses for the three months ended March 31, 2018 were $0.24 million compared to $0.07 million in the prior year period, an increase of $0.17 million. We terminated the option agreement for Lomas de Puquios, leading to the write-off of the mineral property balance of $0.10 million. We incurred foreign exchange translation losses with Canadian dollar denominated bank accounts established with the closing of the Arrangement of $0.04 million. Accretion expense also increased by $0.04 million due to an increased asset retirement cost obligation for the Pan Mine.

Review of financial results for the six months ended March 31, 2018 and 2017

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

Revenue

During the six months ended March 31, 2018 revenue was $19.77 million from the sale of 15,140 gold ounces at an average realized gold price of $1,306 per ounce.

During the six months ended March 31, 2017 we sold 1,992 gold ounces at an average price of $1,230 per ounce for sales of $2.45 million. During the month of March 2017, we sold 755 gold ounces for revenue of $0.94 million. Pre-commercial production sales from October 2016 through February 2017 were recorded as a decrease to Mineral Properties.

	Six Months Ended March 31,		
Spot Price per Ounce of Gold	**2018**	**2017**	**% Change**
High	$ 1,355	$ 1,313	3%
Low	$ 1,241	$ 1,126	10%
Average	$ 1,303	$ 1,220	7%
Average Realized	$ 1,306	$ 1,230	6%

Production Costs

For the six months ended March 31, 2018, mine production costs were $15.41 million, with $0.25 million in share-based compensation expense allocated to production costs along with $0.99 million of royalty and net proceeds of mine tax expense, treatment and refining costs. Inventory movements resulted in a $3.92 million reduction to total production costs in the current period.

Mine production costs of $4.40 million for the first five months of the six month period ended March 31, 2017 were recorded as an increase to Mineral Properties on the consolidated statements of financial position as the Pan Mine was in the pre-commercial production phase. During March of 2017, $1.60 million of mine production costs were incurred along with $0.05 million of royalty expense, treatment and refining costs. Inventory movements offset $1.05 million of production costs in the prior year period.

See Review of Operating Results section for additional information.

Depreciation and Depletion

Depreciation and depletion expense for the six months ended March 31, 2018 was $0.91 million. The prior year period saw all but one month of depreciation and depletion expenses recorded as an increase to Mineral Properties as the Pan Mine was in the pre-commercial production phase. The depreciable asset base has also significantly increased with the construction of the phase II heap leach pad going into service at the end of December 2017.

Inventory movements resulted in a $0.75 million reduction in depreciation and depletion in the current period, compared to a $0.05 million reduction in the prior period.

Exploration and Evaluation Expenditures

For the six months ended March 31, 2018 exploration and evaluation expenses were $0.90 million, compared to $0.68 million during the prior year period. Costs during the current period were driven by exploration activities on the Chilean properties of $0.41 million and to a smaller extent costs attributable to permitting efforts for our Gold Rock project and annual claims filing fees for our exploration properties. Approximately $0.10 million relates to exploration drilling at the Pan Mine. The prior year period costs were primarily for permitting and resource work at our Gold Rock and Golden Eagle exploration properties. See Overview of Properties section for additional information.

General & Administrative

General and administrative expense for the six months ended March 31, 2018 was $2.60 million, $0.99 million higher compared to the prior year period of $1.61 million. Higher general and administrative expense for the period is due to $0.57 million of share-based compensation expense, compared to none for the prior year period, along with higher corporate office employee costs such as an increase of $0.31 million in office & administrative expenses and $0.10 million of consulting expenses when compared to the prior year period.

Change in Fair Value of Warrant Derivative

Change in the fair value of warrant derivatives for the six months ended March 31, 2018 was a gain of $3.80 million with no expense in the prior year period. We issued 22,214,910 warrants denominated in the Canadian dollar during the year ended September 30, 2017, which resulted in derivative liabilities due to our functional currency being the U.S. dollar. The gain is due to a decrease in our stock price from September 30, 2017 and the passage of time. There was no gain or expense recognized during the prior year period. Refer to Note 9 of the interim financial statements for further information.

Other Expense

Other expenses for the six months ended March 31, 2018 were $0.35 million compared to $0.14 million in the prior year period, an increase of $0.21 million. We terminated the option agreement for Lomas de Puquios, leading to the write-off of the mineral property balance of $0.10 million. We incurred an additional $0.09 million additional foreign exchange translation losses on Canadian dollar denominated bank accounts when compared to the prior year period. Accretion expense also increased by $0.06 million due to an increased asset retirement cost obligation for the Pan Mine.

INTERIM MD&A – QUARTERLY HIGHLIGHTS

The following table summarizes selected quarterly unaudited financial information, prepared in accordance with IFRS applicable to interim financial reporting.

($000's, except per share and ounce data)	**FY 2018**		**FY 2017**				**FY 2016**
	Q2 2018	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**
Revenues	**$ 11,512**	$ 8,259	$ 4,905	$ 4,855	$ 936	$ -	$ -
Total Operating Costs	**(9,666)**	(7,479)	(5,455)	(6,464)	(1,471)	(1,433)	(1,005)
Earnings (Loss) from Operations	**1,846**	780	(550)	(1,609)	(535)	(1,433)	(1,005)
Other Income (Expense)	**1,436**	2,012	(14,658)	(72)	(72)	(63)	(58)
Net Income (Loss)	**3,282**	2,792	(15,208)	(1,681)	(607)	(1,496)	(1,063)
Net Income (Loss) per Common Share							
Basic	**$ 0.03**	$ 0.03	$ (0.31)	$ (0.04)	$ (0.01)	$ (0.03)	$ (0.02)
Diluted	**0.03**	0.03	(0.31)	(0.03)	(0.01)	(0.03)	(0.02)
Gold Ounces Produced	**8,695**	6,644	3,950	3,871	1,765	478	1,535
Gold Ounces Sold (payable)	**8,673**	6,467	3,838	3,860	1,485	507	1,555
Average Realized Gold Price ($/oz)	**$ 1,327**	$ 1,277	$ 1,278	$ 1,258	$ 1,228	$ 1,237	$ 1,335

Our revenues and gold production over the last several quarters have reflected the ramp-up period at the Pan Mine following the start of commercial production on March 1, 2017. Q1 of 2018 represented the first full quarter of production above our planned 14,000 ore tpd mining rate, with gold production continuing to increase during Q2 of 2018.

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. Q1 2018 and Q2 2018 include unrealized gains on the change in fair value of warrant derivatives of $2.12 million and $1.68 million, respectively.

OVERVIEW OF PROPERTIES

Pan

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.

Project Development

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, achieved commercial production on March 1, 2017 and increased mining operations to a steady rate in excess of 14,000 ore tons per day currently. Refer to our Management's Discussion and Analysis for the year ended September 30, 2017 for a detailed discussion of the process and facility improvements we have undertaken since acquiring the Pan project during May of 2016.

During calendar year 2016, we completed the first phase of a multi-phase, multi-year drilling program to replace and add to reserves at Pan. The program focused on infilling gaps in the mine resources and extending reserves adjacent to the current mine pits. We are now in the process of commencing the second phase of our multi-year development and exploration drilling program. We anticipate the current phase will consist of approximately 28,000 feet of reverse circulation drilling and 4,900 feet of core drilling focused in the vicinity of the north pit, which hosts the majority of the silica-rich rocky ore at Pan. Drilling will also occur in the central area of the deposit to expand existing resources there as well as test new targets. Mining is currently taking place in both the rocky north Pan zone and the clayey south Pan zone. As of date of this report, twenty-nine holes have been completed, representing 12,315 feet, in the North Pit and extensions of the Syncline and Red Hill pits, the Campbell Ridge target areas of the property as well as targeting surface anomalies on Breccia Hill. These holes are to test the potential to expand the existing oxide reserves both at depth and laterally beyond the current reserve boundaries.

Highlights from the first 29 holes include:

- Hole PND18-01 drilled 65.5 meters of 0.38 g/t gold (215 ft of 0.011 oz/t)
- Hole PND18-03 intercepted 82.3 m of 0.45 g/t gold (270 ft of 0.013 oz/t gold)
- Hole PND18-06 returned 79.2 m of 0.55 g/t (260 ft of 0.016 oz/t gold)
- Hole PND18-08 returned 48.8 m of 0.48 g/t and 32.0 m of 0.89 g/t (160 ft of 0.014 oz/t and 105 ft of 0.026 oz/t)
- Hole PND18-19 intercepted 25.9 m of 0.96 g/t gold (85 ft of 0.028 oz/t gold),
- Hole PND18-22 drilled 27.4 m of 0.55 g/t gold (90 ft of 0.016 oz/t).
- Hole PND18-27 returned 16.8 m of 0.96 g/t (55 ft of 0.028 oz/t) at Red Hill,
- Hole PND18-28 intercepted 45.7 m of 0.72 g/t gold (150 ft of 0.021 oz/t gold) at Red Hill, and
- Hole PND18-29 drilled 36.6 m of 0.56 g/t gold (120 ft of 0.016 oz/t) in the West Contact area

The current drilling program at Pan has shown positive results from the Red Hill satellite deposit connected to the north pit. Because of the positive drilling results, we are in the process of evaluating whether this new mineralization will allow us to deepen the planned Red Hill pit to bring in additional resources.

Current mining operations use a blending process of rock ore and 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. We are using a new geologic model that identifies rock types and lithology as well as employing a pit geologist to review blast hole drill cuttings to better manage mining practices that ensure the operation achieves proper blending to address the metallurgical characteristics of the ore.

Construction of the Phase II heap leach pad, adding an additional 2.2 million square feet of leach pad, was completed during in January 2018 with first ore stacked in late December 2017. Completion of the additional leach pad allows continued stacking and processing of ore for several years.

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 is in process to support installation of the crushing and agglomeration circuit. The anticipated benefits of the crushing system will be to improve permeability, expose more gold to the leach solution, and increase both the rate of gold recovery and overall gold recoveries. Interim results from the 10,000-ton run-of-mine vs crushed ore test cells show significantly higher indicated gold recovery over a shorter period for the crushed ore. Completion of the test heaps and metallurgical recovery analysis is underway and will be used to evaluate whether to add a crushing and agglomeration circuit. A decision is expected before the end of 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.

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 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 267 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 federally 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 ("DEIS") was published February 13, 2015. The Final EIS ("FEIS") is anticipated to be published during the second half of the calendar year 2018 with the Record of Decision ("ROD") to follow within 30 days of publication. In addition to the proposed mine, the FEIS will include another 200 acres of exploration related disturbance, bringing the total disturbance available for exploration to 467 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 calendar year 2018.
- Final Environmental Impact Statement approval expected during the third quarter of 2018.
- Conduct a 14,000 foot RC drilling program during the fourth quarter of 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.

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.

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 begin 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 kilometers 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 March 31, 2018, approximately $1.36 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.

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. Recent work on the project has identified strong, coincident alteration, geophysical and geochemical anomalies indicative of a high-sulphidation epithermal gold-mineralizing system. The Miocene-age Maricunga Gold Belt has been the focus of renewed exploration for large epithermal systems over the past several years, and Rio Loa is particularly interesting because of its proximity to Gold Fields' 3.8 million-ounce Salares Norte discovery, currently one of the highest-grade gold deposits in the Maricunga Belt.

Lomas de Puquios

Management determined it was in the best interest of the Company to terminate this option agreement during April of 2018.

HEALTH AND SAFETY

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.

FINANCIAL CONDITION REVIEW

Summary Balance Sheet

($000's)	March 31, 2018	September 30, 2017
Cash and Cash Equivalents	$ 5,726	$ 15,124
Inventories	10,618	5,849
Mineral Property, Plant and Equipment, net	26,667	21,841
Reclamation Deposits	3,830	1,270
Other Assets	2,946	2,782
Total Assets	**$ 49,787**	**$ 46,866**
Accounts Payable and Accrued Liabilities	$ 2,343	$ 3,521
Accrued Reclamation and Remediation	3,245	2,670
Warrant Derivative Liabilities	2,792	6,589
Total Liabilities	**$ 8,380**	**$ 12,780**
Total Equity	**$ 41,407**	**$ 34,086**

Balance Sheet Review

Cash and Cash Equivalents

Our cash balance as of March 31, 2018 was $5.73 million, a reduction of $9.40 million from September 30, 2017. The primary expenditures during the six months ended March 31, 2018 leading to this reduction were $2.56 million contributed to the Pan reclamation deposit account, $6.68 million spent on capital expenditures and $4.02 million associated with the increase of estimated recoverable ounces placed on the leach pad during the year.

Inventories

Leach pad and finished goods inventory were carried at a cost of $10.25 million as of March 31, 2018, compared to $5.58 million as of September 30, 2017. Product inventories consisted of 12,622 estimated recoverable ounces at an average carrying cost of $812 per ounce, up from an average carrying cost of $784 per ounce as of September 30, 2017. Estimated recoverable ounces increased by 5,496 from September 30, 2017.

Accounts Payable and Accrued Liabilities

The Accounts Payable and Accrued Liabilities balance of $2.34 million (including accrued payroll and related benefits of $0.49 million) includes $1.11 million of accrued costs of capital expenditures. As of September 30, 2017, the balance of $3.52 million included $1.99 million of accrued costs of capital expenditures.

Summary Cash Flow

	Three Months Ended March 31,		Six Months Ended March 31,	
(US$000's)	**2018**	**2017**	**2018**	**2017**
Net Income (Loss)	$ 3,282	$ (607)	$ 6,074	$ (2,103)
Net Non-Cash Adjustments	(420)	98	(1,756)	165
Net Change in Non-Cash Working Capital	(1,156)	(2,008)	(4,192)	(2,075)
Net Operating Activities	1,706	(2,517)	126	(4,013)
Net Investing Activities	(2,989)	(2,030)	(9,948)	(4,235)
Net Financing Activities	-	1,144	-	4,580
Effect of Exchange Rates on Cash	163	-	424	-
Change in Cash and Cash Equivalents	(1,120)	(3,403)	(9,398)	(3,668)
Cash and Cash Equivalents, Beginning of Period	**6,846**	**4,004**	**15,124**	**4,269**
Cash and Cash Equivalents, End of Period	**$ 5,726**	**$ 601**	**$ 5,726**	**$ 601**

Cash Flow Review

Three months ended March 31, 2018 and 2017

Operating Activities

Cash provided by operations for the three months ended March 31, 2018 was $1.71 million compared to cash used by operations of $2.52 million for the three month period ended March 31, 2017. Positive operating cash flows were generated during the period from the sale of 8,673 gold ounces at an average realized price per ounce of $1,327. In addition, with the cost of sales per ounce of $912 during the period, we were able to generate a 31% gross profit margin. Cash used in the build-up of leach pad inventories at Pan slowed during the second quarter as gold ounces placed into inventory and gold ounces sold out of inventory were closer in line with each other. Working capital increases from the build-up of inventory will fluctuate moving forward as the grade of the ore mined varies as we move through the pits.

Investing Activities

Net cash used by investing activities during the three months ended March 31, 2018 was $2.99 million, compared to $2.03 million during the prior year period. Cash paid for capital expenditures of $2.69 million, primarily at Pan for construction of the phase II leach pad and developmental drilling, led to the $0.96 million higher cash usage through investing cash activities compared to the prior year comparable period. During the prior year comparable period, two of the three months were during the pre-commercial production phase for the Pan Mine, resulting in all incidental sales and costs of sales being capitalized as pre-production costs.

Financing Activities

There was no financing cash flow activity during the three months ended March 31, 2018. During the comparable prior year period, $1.14 million was provided through the private placement of special warrant issuances to purchase common shares.

Six months ended March 31, 2018 and 2017

Operating Activities

Cash provided by operations for the six months ended March 31, 2018 was $0.13 million compared to cash used by operations of $4.01 million for the six month period ended March 31, 2017. Positive operating cash flows were generated by the Pan Mine during the period due to a significant increase in gold sales and gold price compared to the prior year period. Cash used in the build-up of leach pad inventories at Pan has slowed during the second quarter as gold ounces placed into inventory and gold ounces sold out of inventory were closer in line with each other.

Investing Activities

Net cash used by investing activities during the six months ended March 31, 2018 was $9.95 million, compared to $4.24 million during the prior year period. Capital expenditures of $7.10 million, primarily at Pan for construction of the phase II leach pad and developmental drilling, along with a contribution to the Pan reclamation deposit account of $2.56 million led to the $5.71 million higher cash usage through investing cash activities compared to the prior year comparable period. During the prior year comparable period, five of the six months were during the pre-commercial production phase for the Pan Mine, resulting in all incidental sales and costs of sales being capitalized as pre-production costs. In addition, costs of the first phase of the developmental drilling program at Pan during the period was $0.72 million.

Financing Activities

There was no financing cash flow activity during the six months ended March 31, 2018. During the comparable prior year period, $4.58 million was provided through the private placement of special warrant issuances to purchase common shares.

CAPITAL REQUIREMENTS AND SOURCES OF LIQUIDITY

Our primary sources of liquidity come from our cash balance of $5.73 million and operating cash flows generated from the Pan Mine operations. As of March 31, 2018, we had working capital of $16.21 million, consisting of current assets of $18.55 million and current liabilities of $2.34 million. We generated net income for the six month period ended March 31, 2018 of $6.50 million, inclusive of a $3.80 million gain related to the unrealized change in fair value of our warrant derivatives.

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 from Pan to fund our current state of operations.

COMMITMENTS, CONTINGENCIES AND CAPITAL RESOURCES

(US$000's)	Total	< 1 Year	1 - 3 Years	4 - 5 Years	> 5 Years
Operating Leases (i)	537	113	156	143	125
Mining Claim Assessments (ii)	2,304	384	768	768	384
Project Commitments (iii)	5,559	1,989	1,306	2,264	-
Advance Royalties (iv)	2,430	-	972	972	486
Other Obligations (v)	122	122	- -	-	-
Total Contractual Obligations	**10,952**	**2,608**	**3,202**	**4,147**	**995**

(i) We have obligations under operating leases for our corporate offices in Englewood, Colorado until 2019 and Toronto, Canada until 2024. The total remaining obligation through the lease terms is $0.54 million, with $0.11 million due within one year. Current sub-lease payments to be received over the term of the rental agreements are approximately $0.08 million. We recognized $0.05 and $0.10 million in rent expense relating to these agreements during the three and six months ended March 31, 2018.

(ii) 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.

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

(iv) *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.

(v) We have one-year term consulting arrangements that expire at various times during fiscal year 2018. The total amount of these agreements is $0.12 million.

RECLAMATION AND CLOSURE

The Company has an obligation to reclaim its properties. We record the fair value of our 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.

The Company is required to post bonds with the BLM for reclamation of planned mineral exploration and development programs associated with the Company's mineral properties located in the United States. As a part of the permitting process for the Pan project, we are currently required to have a reclamation bond of approximately $15.35 million held with the BLM. We purchased a surety contract for the reclamation bond, which required collateral to be posted into an escrow account as security for abandonment and remediation obligations. A $3.83 million reclamation deposit is held within a collateral account, which has been recorded in reclamation deposits on the consolidated statements of financial position as of March 31, 2018.

Our prior surety had indicated that it wanted to be replaced as our surety provider and would require us to post additional collateral if replacement bonds could not be obtained. Effective April 10, 2018, the Company switched surety providers in relation to its reclamation and remediation obligations at the Pan Mine. Additional collateral of $0.77 million was required to be funded into the reclamation collateral account, increasing the collateral balance to 30% of the current $15.35 million bond. We are required to increase collateral within the account by 10% per year, until the collateral account reaches 80% of the bonded amount based upon the current mine life projection. The terms of the new surety agreement were substantially better than terms our existing surety provider would have offered to continue to support our bonds. In addition, as is customary of surety reclamation bond agreements, the surety has broad rights to demand additional collateral at any time. We are required to maintain the reclamation bond until all abandonment and remediation obligations have been completed to the satisfaction of the BLM. The surety contract names the Company and several of its subsidiaries as indemnitors to the surety agreement.

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.

An extensive discussion of critical accounting estimates and other accounting policies is contained in Note 2 of our annual consolidated financial statements for the year ended September 30, 2017.

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, less corporate general and administrative expenses. 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. "Costs of sales per ounce sold" adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

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", "cost of sales per ounce" and "all-in sustaining costs 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 March 31,		Six Months Ended March 31,	
	2018	2017	2018	2017
Gold Ounces Produced	8,695	1,765	15,339	2,243
Gold Ounces Sold (Payable)[1]	8,673	1,485	15,140	1,992
Commercial Production Gold Ounces Sold[1]	8,673	755	15,140	755
Revenue	$ 11,512	$ 936	$ 19,771	$ 936
Sales During Pre-Commercial Production Period	-	887	-	1,514
Total Sales	**$ 11,512**	**$ 1,823**	**$ 19,771**	**$ 2,450**
Average Realized Price	**$ 1,327**	**$ 1,228**	**$ 1,306**	**$ 1,230**
Cash Costs per Ounce Sold				
Total Production Costs (Cost of Sales)	$ 7,914	$ 622	$ 13,637	$ 622
Depreciation and Depletion	(618)	(20)	(906)	(20)
Share Based Compensation in Production Costs	(133)	-	(250)	-
Total Cash Costs	**$ 7,163**	**$ 602**	**$ 12,481**	**$ 602**
Total Cash Costs per Ounce Sold	**$ 826**	**$ 797**	**$ 824**	**$ 797**
Cost of Sales per Ounce Sold				
Costs of Sales	**$ 7,914**	**$ 622**	**$ 13,637**	**$ 622**
Cost of Sales per Ounce Sold	**$ 912**	**$ 824**	**$ 901**	**$ 824**
All-in Sustaining Costs				
Total Cash Costs	$ 7,163	$ 602	$ 12,481	$ 602
Sustaining Capital	360	1,751	5,735	4,551
Exploration	416	187	904	676
Share-Based Compensation	418	-	823	-
Reclamation Cost Accretion	114	72	197	133
Depreciation of ARO Asset	107	14	212	15
All-in Sustaining Costs	**$ 8,578**	**$ 2,626**	**$ 20,352**	**$ 5,977**
All-in Sustaining Costs per Ounce Sold	**$ 989**	**$ 1,768**	**$ 1,344**	**$ 3,001**

[1]The Pan Mine reached commercial production on March 1, 2017. There were 755 gold ounces sold from March 1, 2017 through March 31, 2017. Cash costs per ounce sold and Costs of sales per ounce sold for the three and six months ended March 31, 2017 are based upon the commercial production period of March 2017 only. Incidental sales and production costs prior to the commencement of commercial production on March 1, 2017 have been included within Sustaining capital above for the purposes of calculating All-in sustaining costs per ounce, which is based upon all gold ounces sold during each respective period of the prior year.

OUTSTANDING SHARE DATA

The Company's fully diluted share capital as of March 31, 2018, 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	4,575,000
Stock Options Granted at an Exercise Price of $0.86 per option	250,000
Stock Options Granted at an Exercise Price of C$0.75 per option	175,000
Stock Options Granted at an Exercise Price of C$1.15 per option	1,418,175
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	795,000
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	**129,693,528**

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.

FINANCIAL RISK MANAGEMENT

We have exposure to certain risks resulting from our use of financial instruments. These risks include credit risk, liquidity risk and market risk, which includes sub-categories of foreign currency risk and price risk. During the second quarter of 2018, there were no significant changes to our exposure to risks resulting from our use of financial instruments or to our financial risk management strategy.

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:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2018	2017	2018	2017
Director Fees	$ 36	$ -	$ 65	$ -
Senior Management	199	159	428	347
Share-Based Payment	-	-	87	-
Total	$ 235	$ 159	$ 580	$ 347

RISKS AND UNCERTAINTIES

Investing in our Common Shares involves a high degree of risk. Prospective investors should carefully consider the risk factors discussed in the Company's Management's Discussion & Analysis for the year ended September 30, 2017, together with all of the other information included or referred to in this MD&A, before purchasing our Common Shares. The risks set out within the Company's Management's Discussion & Analysis for the year ended September 30, 2017 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.

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.

Guidance projections used in this document ("Guidance") are considered "forward-looking statements" and represent management's good faith estimates or expectations of future production results as of the date hereof. Guidance is based upon certain assumptions, including, but not limited to, metal prices, commodity prices, certain exchange rates and other assumptions. Fiscal Year 2018 Guidance assumes a gold price of US$1,250 per ounce. Such assumptions may prove to be incorrect and actual results may differ materially from those anticipated. Consequently, Guidance cannot be guaranteed. As such, investors are cautioned not to place undue reliance upon Guidance and forward-looking statements as there can be no assurance that the plans, assumptions or expectations upon which they are placed will occur.

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 J Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer 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.

The scientific and technical information relating to drilling results for the Pan Mine contained in this MD&A was approved by Eric LeLacheur M.S. (CPG) Fiore Gold's Vice-President of Exploration, North America and a "Qualified Person" under National Instrument 43-101.

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.