Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Inventus Mining Corp. (the "Company" or "Inventus") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2017 and 2016. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information contained herein is presented as of March 26, 2018, unless otherwise indicated.

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

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Caution Regarding Forward-Looking Statements

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

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets

	current expectations; the Company will be able to obtain equity funding when required.	not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending December 31, 2018, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel; government regulations will change in a negative manner towards exploration activities for junior mining companies.

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

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

Qualified Person

The Qualified Person responsible for the geological technical content of this MD&A is Andy Bite, P. Geo., who has reviewed and approved the technical disclosure in this MD&A on behalf of the Company.

Description of Business

The principal business of the Company is the acquisition and advancement of mineral exploration projects, primarily with paleoplacer and conglomerate hosted gold potential. The principal asset of the Company is the Pardo Paleoplacer Gold Project ("Pardo") located northeast of Sudbury, Ontario.

Overall Performance

On March 21, 2017, Inventus appointed three new members to its Board. Gary Nassif, Nils Engelstad, and Dr. Richard Sutcliffe have joined Inventus' Board. Greg Gibson, a director since March 2016, resigned.

On March 30, 2017, Inventus announced that it had granted options to acquire a total of 1,525,000 common shares of the Company to employees, consultants, officers and directors at the exercise price of $0.21 per share for a period of five years. The options vest as to one-third after each of 6, 12 and 18 months from the date of grant.

On September 6, 2017, Inventus announced that it had closed an over-subscribed non-brokered private placement financing for aggregate gross proceeds of $1,000,000 (the "Offering"). The Offering consisted of the sale of 6,666,666 units (each, a "Unit") at a price of $0.15 per Unit. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.25 for a period of two (2) years after the closing date of the Offering. All securities issued and issuable pursuant to the Offering will be subject to a four month and one day statutory hold period.

Evanachan Limited ("Evanachan") subscribed for 3,333,333 Units, Stefan Spears, the Company's Chief Executive Officer ("CEO") subscribed for 65,001 Units and Marrelli Capital Limited ("Marrelli Capital"), controlled by Carmelo Marrelli, the Company's Chief Financial Officer ("CFO"), subscribed for 66,666 Units.

As at December 31, 2017, the Company had assets of $930,622 and a net equity position of $769,094. This compares with assets of $794,069 and a net equity position of $680,051 at December 31, 2016. The Company has $161,528 of current liabilities and no debt (December 31, 2016 – $114,018 of liabilities and no debt) at December 31, 2017. The Company recorded exploration and evaluation expenditures of $757,914 (net of $58,814 received from Junior Exploration Assistance Program (JEAP) recovery and bulk sample gold sales of $196,483) during the year ended December 31, 2017 compared to $4,949,004 in the comparative year.

The Company raises financing for its exploration and acquisition activities. At December 31, 2017, the Company had a working capital of $769,092 compared to a working capital of $680,049 at December 31, 2016, an increase of $89,043. The Company had cash of $687,361 at December 31, 2017, compared to $731,964 at December 31, 2016, a decrease of $44,603. The decrease in cash resulted from cash raised from the Offering offset by exploration and evaluation expenditures and ongoing operating costs. The increase in working capital resulted from cash raised from the Offering and a receivable of $196,483 resulting from bulk sample gold sales offset by exploration and evaluation expenditures and ongoing operating costs The Company has sufficient current assets to pay its existing liabilities of $161,528 at December 31, 2017.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer term strategic decisions. During the year ended December 31, 2017, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its mineral property interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation.

Overall Objective

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition and advancement of mineral exploration projects, primarily with paleoplacer and conglomerate hosted gold potential. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The success of the Company is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its properties, government policies and regulations and future profitable production, or proceeds from the disposition of such properties.

The Company has not discovered economically recoverable mineral reserves. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it is able to reduce overall exploration risk by acquiring additional mineral properties. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, environmental risks, risks associated with land title, the competition faced by the Company and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risk Factors" below.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail acquisitions and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements respecting any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Management of Capital

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity (deficit), comprising share capital, warrants, contributed surplus and deficit, which at December 31, 2017, totaled equity of $769,094 (December 31, 2016 – equity of $680,051).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2017 and December 31, 2016.

Mineral Exploration Properties

The Company has not yet been determined whether the Company's properties contain an economic mineral reserve. There are no known reserves of minerals on any of the Company's mineral exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See "Risk Factors" below.

Pardo

On January 3, 2018, Inventus announced the results from a 1,000-tonne bulk sample from Pardo near Sudbury, Ontario. The total gold content of the bulk sample was calculated to be 4.16 kg (133.8 Troy ounces) of gold, equivalent to 4.2 grams per tonne (gpt). A total of 3.72 kg (119.5 Troy ounces) of gold was recovered from 985 dry tonnes of mill feed. The tailings are estimated to contain an additional 0.44 kg (14.2 Troy ounces) of gold, indicating a recovery rate for gold of approximately 89%. Diamond drilling in the bulk sample area prior to extraction consisted of eleven holes that returned an average grade of 1.34 gpt gold. Processing of the bulk sample demonstrates a significant increase in the gold grade when compared to assays of diamond drill core.

Paleoplacer gold deposits are enigmatic by nature and do not reveal their secrets easily. The results of this initial bulk sample are highly encouraging and highlight the critical importance of bulk sampling for grade estimation. Assaying of drill core alone is insufficient to determine the actual grade of the mineralized boulder conglomerate. The success of this bulk sample has increased the Company's confidence about the overall grade of the boulder conglomerate, confirming the Company's belief that continued investment in exploration and additional bulk sampling is warranted.

Bulk Sample Procedure

The bulk sample was extracted from a pit with a surface area of 240 square metres. Approximately 1,000 wet tonnes was blasted and the run-of-mine material was transported by truck to McEwen Mining's Black Fox Mill (the "BFM") near Timmins, Ontario. The BFM is a conventional gold mill comprised of a three-stage comminution circuit, cyanide leach and carbon-in-leach (CIL) gold recovery. Prior to batch processing of the bulk sample the mill circuit was purged with 1,000 tonnes of barren sand. The processing of sand is designed to cleanse the milling equipment and displace the ore in the first 800-tonne capacity leach tank.

At the BFM the Pardo material was crushed and milled to approximately 75 microns and leached for a minimum of 30 hours. Grade and recovery calculations were made based on a total in-circuit inventory before and after the bulk sample was processed. Samples of the leach solution and leached solids were also taken after 30 hours and returned a combined assay of 4.1 gpt gold, which is consistent with the in-circuit inventory calculation.

Bulk Sample Drilling

Prior to the extraction of the bulk sample, a pattern of eleven diamond drill holes was completed on five-metre centers of the bulk sample area in order to compare drilled gold grades to bulk sample grade for the Mississagi Boulder Conglomerate (MiBC). The drill core was sampled and assayed using the same whole core methodology developed during the 2017 exploration program. The average assayed grade and thickness of the target MiBC was 1.34 gpt over 2.54 m. The grades of the MiBC was highly variable between holes, ranging from a low of 0.17 gpt over 2.44 m to a high of 4.07 gpt over 2.17 m. Visible gold was noted in 5 of the 11 holes (see Table 1).

Systematic measurements of clast dimensions taken along the drill core intercept of MiBC indicate that the boulder conglomerate on average is composed of 26% matrix and 74% clasts. Gold is contained within the matrix and the clasts are barren of gold, therefore the bulk sample is composed of 26% gold bearing matrix and 74% unmineralized waste rock. In a news release dated

April 5, 2017 Inventus discussed the possible application of advanced ore sorting techniques, and demonstrated in a scoping level study, the encouraging potential to sort gold bearing matrix from the un-mineralized clasts. We plan to continue evaluating the use of ore sorting as a means of efficiently processing larger bulk samples.

Risk Factors

All of the bulk sample material was removed from a single location known as Trench 1. Trench 1 was selected because it was considered to have representative grade, and was ideally located for easy extraction. There is no assurance that mining or bulk sampling in another location at Pardo would result in similar gold content or recovery.

The BFM is a commercially operating gold processing facility that receives feed from the Back Fox Mine and from third party custom milling clients. To the best of our knowledge, the mill operates using industry standard practices for sampling and quality assurance, but is not intended for the analysis of small batch bulk samples. The minimum custom milling batch size normally required by the BFM is 5,000 tonnes. The mill operator's standard procedure prior to processing custom feed is to purge the mill circuit by processing one thousand tonnes of barren sand. However, it is possible that pre-existing gold contained in the circuit was flushed out while processing the bulk sample. Similarly, the bulk sample could have deposit gold residue in the circuit. It is unknown to what extent this may have contributed to inaccuracies in the results. There is no certification as to the precision of the results and readers should use caution in their use and interpretation.

There is currently no National Instrument 43-101 ("NI 43-101") mineral resource estimate established anywhere on Pardo. Mining dilution for the bulk sample was estimated to be 7% based on geologists' field observations, mostly as a result of over-blasting of the footwall in the pit. Ore loss was estimated at 0.5%, due to over-blasting of the hanging wall, and minor losses during transportation and handling.

Interests of Related Parties

Inventus and McEwen Mining are related parties, meaning that members of management have economic interests in both companies. Stefan Spears, Chairman and CEO of Inventus, currently provides consulting services to McEwen Mining in areas that are unrelated to Inventus. Rob McEwen, Chairman and Chief Owner of McEwen Mining, is a significant shareholder of both companies, owning approximately 20% and 24% of Inventus and McEwen Mining respectively.

The milling agreement between Inventus and McEwen Mining was on terms believed to be commercially reasonable. The milling agreement specified a base processing fee of $42.00 per tonne, and a provision for cost recovery of assaying and other miscellaneous expenses. Inventus will pay McEwen Mining $50,703 in connection with the services it provided processing the bulk sample. McEwen Mining will also remit the net proceeds of $145,780 from the sale of the gold produced to Inventus. Inventus does not have an agreement with McEwen Mining, or any other service provider, for the processing of future bulk samples and as such there is no guarantee that the foregoing costs would be representative of future costs.

Table 1

Trench 1 Drill Results

Hole ID	From (m)	To (m)	Thickness (m)	Gold Fire Assay Grade (gpt)	Visible Gold (VG) Observations	% Matrix in Conglomerate
TR1-17-01	3.14	5.62	2.48	0.30		31.1%

TR1-17-02	2.98	5.50	2.52	0.71	*VG @ 3.32m & 3.65m*	26.0%
Including	**2.98**	**3.82**	**0.84**	**2.12**		
TR1-17-03	2.00	4.85	2.85	1.06	*VG @ 2.75m*	26.6%
Including	**2.60**	**3.18**	**0.58**	**3.34**		
TR1-17-04	1.88	4.77	2.89	1.39		19.3%
Including	**3.30**	**4.00**	**0.70**	**4.88**		
TR1-17-05	2.79	5.23	2.44	0.17		33.4%
TR1-17-06	2.05	4.80	2.75	3.79	*VG @ 2.67m*	17.7%
Including	**2.05**	**2.70**	**0.65**	**14.20**		
TR1-17-07	2.05	4.67	2.62	1.62		24.8%
Including	**3.60**	**4.15**	**0.55**	**3.58**		
TR1-17-08	1.64	3.52	1.88	0.93	*VG @ 1.96m*	29.4%
TR1-17-09	2.38	5.30	2.92	0.30		19.7%
TR1-17-10	2.48	4.90	2.42	0.39		32.5%
TR1-17-11	1.63	3.80	2.17	4.07	*VG @ 2.41m & 2.42m*	28.4%
Including	**2.20**	**2.75**	**0.55**	**15.01**		
			Thickness (m)	**Grade (gpt)**		**% Matrix in Conglomerate**
Bulk Sample Diamond Drilling Average			**2.54**	**1.34**		**26.3%**

On January 18, 2018, Inventus announced that it had engaged STEINERT and WSP to help advance the Pardo project to the next phase of development. Inventus is moving ahead with engineering studies to build on its technical knowledge and test real-world mining equipment in preparation for the next phase of development, which will involve larger scale trial mining at Pardo.

- STEINERT is a global leader in sorting and separation solutions for the mining industry. The firm has over 125 years of experience, and excels at providing customers with technologically advanced sorting solutions. STEINERT will be evaluating the performance of their state-of-the-art multi-sensor ore sorting machine on material from the Pardo project. The demonstration machine used for testing is located in Kentucky, but similar units may soon be accessible much closer to the project in Sudbury and Timmins. www.steinertglobal.com

- WSP is a global engineering firm based in Montréal, with over 700 mining specialists worldwide. They offer the mining companies comprehensive solutions at every stage of a mining project development or implementation. WSP will be updating the NI 43-101 Technical Report for the Pardo project (the prior report was prepared for Inventus (Ginguro) by WSP in March 2015). www.wsp-pb.com/en/WSP-Canada/

Current and Future Plans Related to the Pardo Property

The following table summarizes the Company's current plans at Pardo, the total estimated costs, and total expenditures incurred to date. For more information about expenditures incurred by category for the year ended December 31, 2017, please see "Schedule of Exploration and Evaluation Expenditures" below.

Summary of Completed Activities (Year Ended December 31, 2017)	Spent (approx.)	Plans for the project in 2018	Planned Expenditures (approx.)
• During 2017 a 65 hole diamond drill program was completed at the Pardo property, confirming management's belief that exploration is warranted. • A scoping study looking at the amenability of Pardo conglomerate material to sensor-based ore sorting was undertaken by Sacré-Davey Engineering. • Baseline studies at Pardo proceeded to enable submission of a draft Closure Plan during the first half of 2018. • Proceeds from the Offering were used for the 1,000 - tonne bulk sample at Pardo, and for general working capital needs. • A 1,000-tonne bulk sample was extracted from the Trench 1 area on the Pardo property. Prior to mining an eleven-hole diamond drill program was completed. The bulk sample material was transported by truck to the McEwen Mining Black Fox Mill near Timmins, Ontario for processing. Processing was completed in December 2017, and results were received in early January 2018. The calculated average grade of the bulk sample was 4.2 grams per tonne gold. • In December 2017, approximately 155 square kilometres of new claims were staked in the Sudbury region for future exploration.	$971,000	Note 1	Between $575,000 to $975,000

Note 1:

Proposed 2018 Exploration and Development Program:

- During the first half of 2018 Inventus plans to complete a new NI 43-101 Technical Report on the Pardo project. This will be the first new technical study since Inventus acquired 100% ownership of the Pardo property.

- Additional studies investigating ore-sorting are planned. The first batch of samples have already been processed, and further iterations are planned throughout 2018.

- Prospecting and sampling of newly acquired mineral claims is planned, as well as data compilation and interpretation, sampling and geochemical analysis.

- Environmental permitting for the next phase of bulk sampling is underway. The timely receipt of permits will determine when additional bulk sampling will occur. The proposed permits would allow for 50,000-tonnes to be mined and processed off-site.

- Contingent on permitting, the plan is to extract and process a 10,000-tonne bulk sample during 2018.

Disclosure of Internal Controls

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

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

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

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

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 are making in such 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.

Summary of Quarterly Information

Three Months Ended	Total Revenue $	Profit or Loss	
		Total $	Basic and Diluted Loss Per Share $ [9]
December 31, 2017	-	(292,334) [1]	(0.01)
September 30, 2017	-	(178,123) [2]	(0.00)
June 30, 2017	-	(482,270) [3]	(0.00)
March 31, 2017	-	(284,729) [4]	(0.00)
December 31, 2016	-	(5,678,448) [5]	(0.10)
September 30, 2016	-	(251,075) [6]	(0.00)
June 30, 2016	-	(218,177) [7]	(0.00)
March 31, 2016	-	(63,235) [8]	(0.00)

Notes:

(1) Net loss of $292,334 includes exploration and evaluation expenditures of $225,405, net of bulk sample gold sales of $196,483, office and general of $32,271, professional fees of $20,703 and stock based compensation of $13,955.

(2) Net loss of $178,123 includes exploration and evaluation expenditures of $41,045, office and general of $25,102, professional fees of $24,811 and stock-based compensation of $87,165.

(3) Net loss of $482,270 includes exploration and evaluation expenditures of $283,492, office and general of $11,044, professional fees of $26,707 and stock-based compensation of $161,027.

(4) Net loss of $284,729 includes exploration and evaluation expenditures of $162,521, office and general of $86,995 and professional fees of $35,213.

(5) Net loss of $5,678,448 includes exploration and evaluation expenditures of $4,899,739 (includes acquisition costs of $4,700,580 of 35.5% interest in Pardo), office and general of $596,593, project generation and evaluation of $990, professional fees of $73,188, interest expense of $363 and stock-based compensation of $107,575.

(6) Net loss of $251,075 includes exploration and evaluation expenditures of $16,327, office and general of $67,629, professional fees of $32,379, interest expense of $197, project generation and evaluation of $3,062 and stock-based compensation of $131,481.

(7) Net loss of $218,177 includes exploration and evaluation expenditures of $31,437, office and general of $104,702, professional fees of $28,163, stock-based compensation of $43,827 and interest expense of $10,048.

(8) Net loss of $63,235 includes exploration and evaluation expenditures of $1,501, office and general of $18,840, professional fees of $39,712 and interest expense of $3,182.

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

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company as at December 31, 2017, 2016 and 2015 and for the years ended December 31, 2017, 2016 and 2015.

Description	Year Ended December 31, 2017 $	Year Ended December 31, 2016 $	Year Ended December 31, 2015 $
Total revenues	nil	nil	nil
Total loss	1,237,486	6,210,935	3,629,636
Net loss per common share – basic and diluted	(0.01)	(0.10)	(0.09)

Description	December 31, 2017 $	December 31, 2016 $	December 31, 2015 $
Total assets	930,622	794,069	85,008

Discussion of Operations

Year ended December 31, 2017, compared with year ended December 31, 2016

The Company's net loss totaled $1,237,486 for the year ended December 31, 2017, with basic and diluted loss per share of $0.01. This compares with a net loss of $6,210,935 with basic and diluted loss per share of $0.10 for the year ended December 31, 2016. The decrease in net loss of $4,973,449 was principally because:

- Exploration and evaluation expenditures decreased to $757,914 for the year ended December 31, 2017 (year ended December 31, 2016 - $4,949,004 (includes acquisition costs of $4,700,580 of 35.5% interest in Pardo)). See schedule of exploration and evaluation expenditures for more details.

- Office and general expenses decreased to $109,961 for the year ended December 31, 2017 (year ended December 31, 2016 - $787,764). Included in office and general expenses for the year ended December 31, 2016, is total salaries and benefits of $nil (year ended December 31, 2016 - $123,042). In 2016, office and general also includes the special warrant which was valued at $500,000 using the intrinsic method on the date the special warrants were issued to Mr. Wayne Whymark, former Chairman and CEO of the Company and a $50,000 cash payment to Mr. Wayne Whymark for consulting services. In general, office and general expenses decreased due to cost saving initiatives implemented by management.

- Professional fees decreased to $107,464 for the year ended December 31, 2017 (year ended December 31, 2016 - $173,442). The decrease is attributable to lower corporate activity requiring consulting, legal and business development services from non-related service providers to the Company.

- Stock-based compensation decreased to $262,147 during the year ended December 31, 2017, compared to $282,883 during the year ended December 31, 2016. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. Stock-based compensation expense decreased primarily due to the vesting of 1,525,000 options granted on March 30, 2017 as compared to 1,625,000 on May 30, 2016.

- Interest expense decreased to $nil during the year ended December 31, 2017, compared to $13,790 during the year ended December 31, 2016. The decrease is due to the Company paying off all of its interest bearing debt to the past Chairman of the Company and other unrelated parties.

Three months ended December 31, 2017, compared with three months ended December 31, 2016

The Company's net loss totaled $292,334 for the three months ended December 31, 2017, with basic and diluted loss per share of $0.01. This compares with a net loss of $5,678,448 with basic and diluted loss per share of $0.10 for the three months ended December 31, 2016. The decrease in net loss of $5,386,114 was principally because:

- Exploration and evaluation expenditures decreased to $225,405 for the three months ended December 31, 2017 (three months ended December 31, 2016 - $4,899,739 (includes acquisition costs of $4,700,580 of 35.5% interest in Pardo)). See schedule of exploration and evaluation expenditures for more details.

- Office and general expenses decreased to $32,271 for the three months ended December 31, 2017 (three months ended December 31, 2016 - $596,593). Included in office and general expenses for the three months ended December 31, 2017, is total salaries and benefits of $nil (three months ended December 31, 2016 - $30,260). In 2016, office and general also includes the special warrant which was valued at $500,000 using the intrinsic method on the date the special warrants were issued to Mr. Wayne Whymark, former Chairman and CEO of the Company and a $50,000 cash payment to Mr. Wayne Whymark for consulting services. In general, office and general expenses decreased due to cost saving initiatives implemented by management.

- Professional fees decreased to $20,703 for the three months ended December 31, 2017 (three months ended December 31, 2016 - $73,188). The decrease is attributable to lower corporate activity requiring consulting, legal and business development services from non-related service providers to the Company.

- Stock-based compensation decreased to $13,955 during the three months ended December 31, 2017, compared to $107,575 during the three months ended December 31, 2016. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. Stock-based compensation expense decreased primarily due to the vesting of 1,525,000 options granted on March 30, 2017 as compared to 1,625,000 on May 30, 2016.

- All other expenses related to general working capital.

Liquidity and Capital Resources

The Company derives no income from operations, as all of its projects since inception have been exploration projects. Accordingly, the activities of the Company have been financed by cash raised through promissory notes, issue of debentures, private placements of securities, the exercise of warrants and stock options and its initial public offering. As the Company does not expect to generate cash flows from operations in the near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below.

During fiscal 2018, the Company's corporate head office costs are estimated to average less than $60,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude project generation and evaluation costs. The cost of acquisition and work commitments on new acquisitions cannot be accurately estimated. The Company believes it has adequate working capital for the twelve months ending December 31, 2018 to fund its corporate head office costs, if exploration activities are reduced.

In addition, the Company's estimated exploration budget is between $575,000 to $975,000, which will be spent or deferred as required.

It is anticipated that further financings will be required from related party loans or an equity issue to continue corporate and exploration activities. There can be no assurance that additional financing from related parties or others will be available at all, or on terms acceptable to the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise.

See "Risk Factors" below and "Caution Note Regarding Forward-Looking Statements" above.

Additional measures have been undertaken or are under consideration to further reduce corporate overhead.

Share Capital

As at the date of this MD&A, the Company had 106,971,069 issued and outstanding common shares.

Warrants outstanding for the Company as at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
6,666,666	September 6, 2019	$0.25
6,666,666		

Stock options outstanding for the Company as at the date of this MD&A were as follows:

Stock Options	Expiry Date	Exercise Price
677,500	May 26, 2020	$0.20
1,425,000	May 30, 2021	$0.28
1,525,000	March 30, 2022	$0.21
3,627,500		

Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business.

Salaries paid, or otherwise accrued, to key management personnel (defined as the current CEO) and non-executive directors) totaled $nil (year ended December 31, 2016 - $nil). As at December 31, 2017, key management personnel was owed $nil (December 31, 2016 - $nil) and these amounts were included in accounts payable and accrued liabilities. The CFO is also part of key management. Fees paid to the CFO were paid to Marrelli Support Services Inc. ("Marrelli Support") as disclosed below.

Salaries paid, or otherwise accrued, to former management personnel (defined as the two former CEO's, former chairman and former CFO) totaled $nil (year ended December 31, 2016 - $550,000) and these amounts are included in office and general expenses. As at December 31, 2017, former management personnel was owed $nil (December 31, 2016 - $nil) and these amounts were included in accounts payable and accrued liabilities.

Effective October 31, 2015, the Company entered into termination employment agreements with each of Mr. Wesley Whymark and Mr. Winston Whymark pursuant to which the Company provided each of them compensation of $3,000. These individuals are close family members of the former CEO and during the year ended December 31, 2016 both individuals were hired back as employees. Salaries paid or otherwise accrued to these individuals in 2016 was $123,562 which were included in office and general expenses and $11,650 was owed and included in accounts payable and accrued liabilities.

During the year ended December 31, 2017, the Company paid professional fees and disbursements of $41,383 (year ended December 31, 2016 - $42,088) to Marrelli Support, an organization of which Carmelo Marrelli is president. Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters and these amounts are included in professional fees. As at December

31, 2017, Marrelli Support was owed $509 (December 31, 2016 - $904) and these amounts were included in accounts payable and accrued liabilities.

During the year ended December 31, 2017, the Company paid professional fees and disbursements of $16,894 (year ended December 31, 2016 - $16,724) to DSA Corporate Services Inc. ("DSA"), an organization of which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operation of corporate secretarial matters and these amounts are included in office and general expenses. As at December 31, 2017, DSA was owed $1,222 (December 31, 2016 - $1,174) and these amounts were included in accounts payable and accrued liabilities.

On May 12, 2016, Eric Sprott, Evanachan, a company wholly-owned by Robert R. McEwen, and Osisko Gold Royalties Ltd. ("Osisko") all exercised, in full, their right to convert their previously acquired debentures which became convertible into common shares of the Company as a result of the completion of the share consolidation. Mr. Sprott converted his $500,000 principal amount of debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company, Evanachan converted its $500,000 principal amount of debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company, and Osisko converted its $300,000 principal amount of debentures at a price of $0.05 per share and as a result acquired 6,000,000 common shares of the Company.

Evanachan subscribed for 3,333,333 Units, Stefan Spears, the Company's CEO subscribed for 65,001 Units and Marrelli Capital, controlled by Carmelo Marrelli, the Company's CFO, subscribed for 66,666 Units. See "Overall Performance" above.

As at December 31, 2016, the Company owed $nil (2016 - $30,711) to a Company of which a director is president and CEO. This amount represents expense reimbursements related to the Pardo property.

Inventus and McEwen Mining are related parties, meaning that members of management have economic interests in both companies. Stefan Spears, Chairman and CEO of Inventus, currently provides consulting services to McEwen Mining in areas that are unrelated to Inventus. Rob McEwen, Chairman and Chief Owner of McEwen Mining, is a significant shareholder of both companies, owning approximately 20% and 24% of Inventus and McEwen Mining respectively. As at December 31, 2017, the Company owed $50,703 (2016 - $nil) to McEwen Mining. This amount represents bulk sampling costs related to the Pardo property. As well, as at December 31, 2017, McEwen Mining owed Inventus $196,483 (2016 - $nil) for bulk sample gold sales. On January 15, 2018, the Company received $145,780 from McEwen Mining, net of costs to settle the obligation.

Stock-based compensation	**Year Ended December 31, 2017 $**	**Year Ended December 31, 2016 $**
Wayne Whymark (former CEO and Director)	nil	87,042
Doug Hunter, Director	26,115	21,760
Robert Heatherington, Director	26,115	21,760
Mark Hall, Director	26,115	21,760
Greg Gibson, former Director	nil	21,760

Stock-based compensation	**Year Ended December 31, 2017 $**	**Year Ended December 31, 2016 $**
Carmelo Marrelli, (CFO)	9,588	17,408
Stefan Spears, (CEO)	82,635	21,760
Nils Engelstad, Director	14,130	nil
Gary Nassif, Director	14,130	nil
Richard Sutcliffe, Director	14,130	nil
Total	**212,958**	**213,250**

Recent Accounting Pronouncements

IFRS 9 Financial Instruments

On July 24, 2014, the IASB issued the complete IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9 is effective for the Company on January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard also introduces additional changes relating to financial liabilities and amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Special transitional requirements have been set for the application of the new general hedging model.

Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

IFRS 15 Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). The new standard is effective for the Company on January 1, 2018. Earlier application is permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. On April 12, 2016, the IASB issued Clarifications to IFRS 15, Revenue from Contracts with Customers, which is effective at the same time as IFRS 15.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the application of the Standard to licenses of intellectual property.

Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 Leases ("IFRS 16"). The new standard is effective for the Company on January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The Company is currently evaluating the impact of IFRS 16 will have in the consolidated financial statements.

Outlook

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the gold price will be favourable, and hence it may be possible to obtain additional funding for its projects.

Notwithstanding, the Company is mindful that the gold price could fall with little or no warning. Accordingly, its plans for the near term are to monitor market fundamentals and to ensure that the Company is well positioned to weather any possible resurgence of a market downturn. See "Risk Factors".

Financial Risk Factors

The Company is exposed to credit risk, market risk (consisting of interest rate risk, currency risk, and other price risk), and liquidity risk.

Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices and consists of two types of risk: interest rate risk and other currency risk.

(i) Interest rate risk arises because of changes in market interest rates. The Company's cash is subject to minimal risk of changes in value and are readily convertible into cash.

(ii) Currency risk arises because of changes in foreign exchange rates. The currency risk in the US subsidiary is immaterial.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. The Company's investment policy is to invest its excess cash in high-grade investment securities with varying terms to maturity, selected with regard to the expected timing of expenditures for continuing operations. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at December 31, 2017, the Company has accounts payable and accrued liabilities of $161,528 (December 31, 2016 - $114,018) due within 12 months and has cash of $687,361 (December 31, 2016 - $731,964) to meet its current obligations.

The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financings.

Risk Factors

The Company's business of mineral exploration has a high level of inherent risk associated with it. Although the Company is optimistic about the potential of its properties, there is no guarantee that any further mineral deposits will be identified or that, if further deposits are identified, it will be economically feasible to put them into production. The Company's exploration activities may also be affected by changes in environmental and other governmental regulation. Prospective investors should carefully consider the risk factors described below.

Exploration Stage Company

The Company has a limited history of operations and is in the early stage of development. The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. All of its properties are in the early stages of exploration and are without a known deposit of commercial ore. Development of the Company's properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if a deposit of minerals is located, that it can be commercially mined.

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. The properties in which the Company has an interest, or the option to acquire an interest, are in the early exploration stage and are without either resources or reserves. While discovery of an orebody may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (ie. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Company.

Mining Operations and Insurance

Mining operations generally involve a high degree of risk. The Company's operations are subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon the Company's financial condition.

Additional Capital

The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Government Regulation

The current or future operations of the Company, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that it will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Company may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Reliance on Management and Experts

The success of the Company will be largely dependent upon the performance of its senior management. The Company has not purchased any "key-man" insurance nor has it entered into any non-competition or nondisclosure agreements with any of its directors, officers or key employees and has no current plans to do so.

The Company has hired and may continue to rely upon consultants and others for geological and technical expertise. The Company's current personnel may not include persons with sufficient technical expertise to carry out the future development of the Company's properties. There is no assurance that suitably qualified personnel can be retained or will be hired for such development.

Conflicts of Interest

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

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop is present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry is facing a shortage of equipment and skilled personnel and there may be intense competition for experienced geologists, field personnel and contractors. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects, equipment or personnel.

Title to Property

The Company has taken precautions to ensure that legal title to its property interests is properly recorded, however, there can be no assurance or guarantee that title has been properly recorded or that the Company's property interests may not be challenged. There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Commodity Prices

The price of the Company's securities, its financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base metals. Precious or base metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of precious or base metals have fluctuated widely in recent years, and future price declines could cause continued development of the Company's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly lower precious or base metals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Market Price of Common Shares

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in precious or base metals prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Additional Information

Additional information regarding the Company is available on SEDAR at **www.sedar.com**.

Commitments

As at December 31, 2017, the Company has the following rent commitment to be paid as follows:

2018	$21,250
2019	20,784
	$42,034

Additional Disclosure for Venture Issuers Without Significant Revenue

Office and General Expenses

Detail	Year Ended December 31, 2017	Year Ended December 31, 2016
Salaries and benefits	$nil	$123,042
Consulting – Mr. Wayne Whymark	nil	50,000
Transfer agent and filing fees	35,026	35,810
Travel	9,160	9,904
Other administrative and general	65,775	69,008
Fair value of special flow-through warrant issued	nil	500,000
Total	**$109,961**	**$787,764**

Additional measures have been undertaken or are under consideration to further reduce corporate overhead.

Schedule of Exploration and Evaluation Expenditures

The total exploration and evaluation expenditures of the Company for the year ended December 31, 2017 were for the following properties:

	Other $	Pardo $	Total $
Acquisition costs:			
Legal	10,128	-	10,128
	10,128	-	10,128
Exploration expenditures:			
Analysis	-	70,143	70,143
Bulk sample costs	-	44,870	44,870
Consulting services	-	34,216	34,216
Drilling	-	184,429	184,429
Engineering	-	37,442	37,442
Field equipment	-	2,111	2,111
Field supplies and consumables	-	48,577	48,577
Insurance	-	4,198	4,198
Permitting	-	77,462	77,462
Wages and benefits	-	199,526	199,526
Travel, consumables and accommodation	5,525	25,275	30,800
Rentals	-	178,708	178,708
Stock-based compensation	-	83,100	83,100
Survey costs	-	7,501	7,501
Junior Exploration Assistance Program (JEAP) recovery	-	(58,814)	(58,814)
Bulk sample gold sales	-	(196,483)	(196,483)
	5,525	742,261	747,786
Total	**15,653**	**742,261**	**757,914**

The total exploration and evaluation expenditures of the Company for the year ended December 31, 2016 were for the following properties:

	Pardo $
Acquisition costs:	
Shares issued - 35.5% interest in the Pardo Joint Venture	4,590,000
Cash - 35.5% interest in the Pardo Joint Venture	75,000
Legal and TSXV costs	35,580
	4,700,580
Exploration expenditures:	
Analysis	45,713
Consulting services	84,356
Drilling	45,804
Field supplies and consumables	10,175
Rentals	33,123
Travel, consumables and accommodation	13,628
Wages and benefits	15,625
	248,424
Total	**4,949,004**