DURANGO RESOURCES INC.

(An Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE
PERIOD ENDED APRIL 30, 2018

1. Date of Report: June 28, 2018

2. Overall Performance

Nature of Business

The Company was incorporated on August 21, 2006 under the British Columbia Company Act and is listed on the TSX Venture Exchange under the symbol “DGO”. The Company’s business is the exploration of precious and base mineral resource properties within Canada. Accumulated losses for the Company to date total $3,874,017. At April 30, 2018, the Company is considered an exploration stage company. The head office and principal address of the Company is 248-515 West Pender Street, Vancouver, BC V6B 6H5.

3. Results of Operations

The Company is in the mineral exploration business and has no revenues. To date, the funding of the Company’s exploration activities has been provided by private and public equity offerings of its shares.

Business consultant expenses incurred during the nine-month period ended April 30, 2018 were $91,025 as compared to $80,939 for the period ended April 30, 2017. Investor relations and conferences were $63,350 for the period ended April 30, 2018 compared to $21,400 for the same three quarters in 2017 due to the attendance of the MoneyShow, Cambridge and PDAC conferences and internet awareness campaigns with Stockhouse. Listing and transfer agent fees increased by $5,169 compared to $11,431 for the same period in 2017, due to the timing of the annual general meeting during the period ended April 30, 2018. Professional development expense of $6,267 was for the International Women in Mining Mentee/Mentorship sponsorship program which was launched at the PDAC Conference in March 2018. Dues and subscription expense of $31,471 was for the dues and fees associated with listing on the OTCQB stock exchange in the USA.

Current assets are $1,861,475 as at April 30, 2018, compared to $515,128 as at July 31, 2017. Total liabilities are $65,994 compared with $143,152 as at the July 31, 2017.

EXPLORATION PROPERTIES

General

The Qualified Person(s) responsible for the technical aspects of this Management Discussion and Analysis (MD&A) is Peter Murray Dimmell, P.Geo, a former director and a current consultant with the Company and also Case Lewis, P.Geo., a current consultant with the Company.

Mayner’s Fortune, British Columbia claims

On July 29th, 2015, the Company entered into an agreement for the acquisition of the Mayner’s Fortune limestone property situated in northwestern British Columbia. The property is located in the Skeena Mining Division approximately 7.5km southwest of Terrace, BC and 4km west of Lakelse Lake on the Lakelse River. Consideration was the issuance of 1,400,000 common shares to two arm’s length vendors (issued). Finder’s fees of 125,000 common shares were issued in relation to this transaction to an arm’s length party. During the period ended April 30, 2018, $11,317 in exploration expenditures were expended on the property.

Smith Island, British Columbia claims

On August 10th, 2015, the Company entered into an agreement for the acquisition of the Smith Island past producing limestone property situated 6km southwest of Lelu Island, BC for a purchase price of $35,000 payable upon the closing of a private placement (paid). During the year ended July 31, 2017, the property was written down to zero as management had no future plans for the project.

Industrial Minerals, British Columbia claims

In February 2017, the Company entered into an agreement for the acquisition of seven industrial mineral claims totaling 477 hectares and are all located in British Columbia. Consideration was the issuance of 1,000,000 common shares and 100,000 common shares as a finder's fees (issued).

Whitney Northwest, Ontario claims

On March 1st, 2016, the Company entered into an agreement for the 100% acquisition of the Whitney Northwest Gold project in Timmins, Ontario. The property consists of 256 hectares located near the Lakeshore Gold Corp. (T-LSG) and Goldcorp Inc. (T-G) joint venture ground north of the city of Timmins, Ontario and 9km ENE of Timmins. Consideration included $25,000 cash and 1,500,000 common shares which were issued to arm's length vendors. Finder's fees of 100,000 common shares were issued in relation to this transaction to an arm's length party. During the period ended April 30 2018, the Company completed $9,948 in exploration expenditures and staked additional claims in the area at a cost of $20,000.

Dianna Lake Silver, Saskatchewan claims

Durango entered in an agreement to acquire 100% of the Dianna Lake Silver project located 17km northwest of Uranium City, Saskatchewan. The property consists of 131 hectares and was purchased for $150,000 to and arm's length vendor (paid). An additional $150,000 will be payable pursuant to the agreement upon achieving a National Instrument 43-101 with an indicated resource of a minimum of 50,000 ounces of silver. During the period ended April 30, 2018, $79,574 in exploration expenditures were expended on the property.

Trove, Quebec claims

On August 25th, 2010, the Company signed an agreement for the acquisition of the Trove Property situated in Quebec. Consideration included a $12,000 cash payment on TSX approval (paid), the issuance of 2,500,000 common shares (issued) over a period of two years and $125,000 work commitment to be completed by August 25, 2012. Finder's fees of 250,000 shares were issued and TSX approval was received on this transaction.

On November 21, 2011, the Company reported via www.sedar.com the completion of its summer program which included geological mapping and sampling, magnetomer and VLF – EM surveys, and detailed humus grid sampling. Fourty nine outcrops were mapped and identified with 19 rock samples sent to analysis where they underwent 59 element ultra-trace ICP analysis. A 26-line kilometer grid with 200-meter line spacing was established for the detailed humus sampling and magnetic and VLF-EM survey. A total of 1046 samples were taken at 25-meter stations using a soil auger, which were sent for 59 element ultra-trace ICP analysis. One sample, at L2+00/S7+75S, gave a highly anomalous gold value of 171 ppb Au. The VLF-EM survey identified four distinctive conductors all trending southwest to northeast. During the year ended July 31, 2016, the Company wrote off an additional $2,506 in property maintenance costs, as the Company did not have the funds to complete a substantial work plan on the property. During the year ended July 31, 2017, the Company booked a cost recovery of $354,492 due to an option agreement which was signed with BonTerra Resources Inc.

The Company entered into an agreement with BonTerra Resources as announced on www.sedar.com on March 30, 2017, to option up to 100% of the property. To earn a 100% interest in the Trove Property BonTerra must complete all of the following terms:

- BonTerra must pay Durango $150,000 in cash and issue to Durango 1,500,000 BonTerra common shares within two business days of the date the TSX Venture Exchange approves of the transaction (received);
- On or before the first anniversary of the closing date, BonTerra must pay Durango a further $150,000 in cash and issue to Durango an additional 1,500,000 common shares (received);
- On or before the second anniversary of the closing date, BonTerra must may Durango $200,000 and complete a minimum of $1,000,000 in exploration expenditures, upon which BonTerra will have exercised its option and full title of the property will be transferred from Durango to BonTerra; and
- BonTerra will issue an additional 2,000,000 common shares to Durango as a discovery bonus if, and when, BonTerra produces a technical report compliant with National Instrument 43-101 showing a minimum of 500,000 oz in inferred resource of gold.

Nemaska claims/NMX East, Quebec claims

During the year ended July 31, 2015, the Company staked 353 hectares directly adjoining the Nemaska Lithium Inc.'s Whabouchi lithium deposit in northern Quebec. The NMX East property has all season road access via the Route Nord and is located within a few kilometres of Nemaska Lithium Inc.'s proposed Whabouchi mining pit. During the year ended July 31, 2016, additional claims were staked and purchased in the area. During the year-ended July 31, 2017, $46,452 was spent on exploration for the NMX East and the surrounding Nemaska properties in relation to the completion of a phase I exploration program which entailed mapping and sampling of the lithium bearing pegmatites.

Decouverte, Quebec claims

On November 10, 2010, the Company announced an agreement for the acquisition of the Decouverte Property situated in Quebec. Consideration included the issuance of 2,750,000 common shares (issued) and a $200,000 work commitment to be completed one year from TSX approval received on November 29, 2010. The property is owned 100% by the Company. A news release was issued on November 24, 2011 via www.sedar.com which reported the completion of the 439-line kilometers, with flight lines flown east-west at 100m intervals. The Company hired a professional geophysicist to undertake a detailed interpretation of the survey data with seven areas of interest identified. The geology as mapped indicated a southwest to northeast trend while the airborne survey showed a strong geophysical magnetic anomaly over a 500 x 1000-meter area perpendicular to the geology. Durango received a grant from the Institut National de la Recherche Scientifique (INRS) of Quebec to conduct deep geophysical surveys on the property. The INRS work commenced during the year ended July 31, 2017 and 2016 and consisted of $21,547 (2016 - $17,897) in exploration expenditures. During the period ended April 30, 2018, $42,926 in exploration expenditures were expended on the property.

Golden Triangle (GT) & Garibaldi, British Columbia claims

In September 2017, the Company acquired fractional claims and claim blocks northern BC totaling 2,500 hectares for $15,000 (paid). During the period ended April 30, 2018, $31,168 in exploration expenditures were expended on the property.

Baby Baby, Ontario claims

The Company announced on October 11, 2017 it had acquired a 100% interest in a 520 hectare gold prospect property called the Baby Baby property located near Timmins, Ontario. Consideration for the property was $60,000 on signing (paid) and the issuance of three million common shares (not yet issued) and 250,000 common share finder's fee (not yet issued).

4. Summary of Quarterly Results

	30-Apr	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul
		Fiscal 2018			Fiscal 2017			Fiscal 2016
Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net gain (loss)	707,426	4,091	(33,821)	(139,919)	354,567	(51,604)	(56,522)	(327,093)
Gain (loss) per share	$ 0.02	$ -	$ -	$ -	$ 0.01	$ -	$ -	$ (0.01)

Administrative expenses for the three months ended April 30, 2018 were $207,594, compared to $73,474 in the prior period ended April 30, 2017. Losses in the 8 quarters above remain consistent with an exploration stage company however the second and third quarters of 2018 have a realized gain on available for sale investments due to the Trove Property Option agreement. A gain was recorded in the nine-month period ended April 30, 2018 in relation to the sale of shares and payment of cash in relation to the Trove property option agreement.

5. Liquidity

The ability of the Company to meet its obligations as they come due is mainly dependent on its ability to continue to fund operations through equity and/or debt financings. To further the exploration as planned in the 2019 year it may be necessary for Durango to raise money to fund operations.

The Company completed a non-brokered financing of 120,000 flow through units issued at $0.125 per unit for gross proceeds of $15,000. The flow through units consisted of one flow through share and one non-flow through warrant exercisable at $0.15 for a period of one year.

During the year ended July 31, 2017, 500,000 warrants were exercised at $0.10 for gross proceeds of $50,000. 1,730,000 warrants were exercised at a price of $0.15 for gross proceeds of $259,500. 70,000 broker warrants were exercised at $0.10 for gross proceeds of $7,000. 500,000 options were exercised at an average price of $0.07 for gross proceeds of $36,250.

The Company issued 100,961 shares for debt satisfying $12,125 in accounts payable and accrued liabilities. The shares were valued at $9,591, and the Company realized a gain on settlement of debt of $2,534.

The Company completed a non-brokered financing with net proceeds of $300,309 which consisted of 5,005,152 units issued at a price of $0.06. Each unit consisted of one common share and one warrant exercisable at $0.10 for a period of 24 months from the closing date.

The Company has a cash balance of $1,037,378 and GST/QST recoverable of $17,037 and working capital of $1,795,481as at April 30, 2018.

Going Concern

The Company has sufficient working capital to meet its ongoing financial obligations for the next twelve months and fund its business plan. It may require additional funds from financing to continue its operations. While management of the Company believes that it will be able to generate funding through equity financing, there can be no guarantee that the Company will be successful in obtaining additional financing to continue operations beyond 2019.

6. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed to as at April 30, 2018.

7. Transactions with Related Parties

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

Key management personnel compensation

For the period ended April 30,		**2018**		**2017**
Consulting fees with a company controlled by the President of the Company	$	90,000	$	76,500
Consulting fees with a Company controlled by the CFO of the Company		-		3,000
Rental fees with a company with a common director of the Company		7,875		7,875
Director's Fees		12,000		5,000
	$	109,875	$	92,375

As at April 30, 2018, there were no unpaid balances to related parties owing. The amounts due are non-interest bearing, unsecured, and due on demand.

8. Critical Accounting Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities if actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of the exploration and evaluation assets.
ii) The estimated amounts of reclamation and environmental obligations.

9. Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. A complete list of the financial instruments can be found on the Annual Audited Financial Statements dated July 31, 2017 and filed on www.sedar.com on November 24, 2017.

10. Risks and Uncertainties

The Company is in the mineral exploration and development business and as such is exposed to many risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:

- The industry is capital intensive and is subject to fluctuations in metal and commodity prices, market sentiment, foreign exchange and interest rates.

- The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production therein, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development.

- Any future equity financings by the Company for raising additional capital may result in substantial dilution to the holdings of existing shareholders.

- The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.

- The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future.
- There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded.

Should one or more of these risks materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on its forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

11. Other MD&A Requirements

Disclosure of Outstanding Share Data

Authorized Capital:
Unlimited common shares without par value

Issued Common Shares:	Number
Balance, April 30, 2018	37,766,019
Balance, June 28, 2018	37,766,019

Commitments:

Options: 2,500,000 outstanding as at April 30, 2018 and 3,400,000 as at June 28, 2018.
Warrants: 6,330,152 outstanding as at April 30, 2018 and 5,005,152 as at June 28, 2018.

As at June 28, 2018:

a) 37,766,019 common shares were issued and outstanding

b) Option balances are: 700,000 exercisable at $0.15 expiring May 8, 2019, 600,000 exercisable at $0.10 expiring July 17, 2018, 300,000 exercisable at $0.075 expiring February 7, 2020, and 750,000 exercisable at $0.10 expiring May 17, 2020.

c) Warrant balances are: 2,823,485 exercisable at $0.10 expiring June 7, 2019, 1,066,667 exercisable at $0.10 expiring June 9, 2019 and 1,115,000 exercisable at $0.10 expiring June 20, 2019.

12. Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The current Board of Directors is comprised of four individuals, two of whom are neither an officer nor employee of the Company and are unrelated and independent from Management. The audit committee is comprised of three directors, two of whom are independent from management.

The audit committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited financial statements prior to their submission to the Board of Directors for approval. The audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

13. Subsequent Events

On May 6, 2018, 1,325,000 warrants exercisable at $0.30 expired unexercised.