Management's Discussion & Analysis
For the Quarter Ended June 30, 2018

This Management's Discussion and Analysis of the Operations ("MD&A") of TriStar Gold, Inc. ("TriStar" or "the Company") is provided to enable the reader to understand the material changes in the financial condition and operations of the Company for the second fiscal quarter ended June 30, 2018. This MD&A should be read in conjunction with the condensed consolidated unaudited interim financial statements and notes thereto for the quarters ended June 30, 2018 and 2017 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements but does not form part of the Company's condensed consolidated unaudited interim financial statements.

The financial statements referred above are available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at **www.sedar.com**, and the Company's website at **www.tristargold.com**

This MD&A contains forward-looking statements such as statements regarding the adequacy of cash resources to carry out the Company's exploration programs, managements' expectations for the success or lack thereof of its exploration programs and the Company's need for future financing are forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management as of the date of this report. All forward-looking statements, including those not specifically identified here-in are made subject to the cautionary language beginning on page 21. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained here-in are expressed in United States dollars ("US$") unless otherwise indicated. The Company's condensed consolidated unaudited interim financial statements for the quarter ended June 30, 2018 and this MD&A have been prepared by management as of August 27, 2018 and was approved by the Company's Board of Directors.

Outlook and Objectives for 2018

The Company is a junior exploration company with no operating assets and hence its activities are financed from the sale of its common stock and its cash resources predicate how much work may be done on its properties. In 2018, efforts are planned to focus on further delineation of the mineral resources at the 100% owned Castelo de Sonhos property ("CDS") in Brazil and the preparation of an updated resource estimate followed by a preliminary economic assessment at CDS. The Company will need additional funds in 2019 to undertake additional reverse circulation drilling at CDS, and to fund corporate overhead. Many factors influence the Company's ability to raise funds, including the health of capital markets, the robustness of the gold market and the investors' perception of the Company's planned activities. There is no guarantee that the Company will be able to complete the required financing.

Recently Completed Financing

In August 2018, the Company closed its private placement announced on July 6, 2018. The Company sold 10,250.000 units at a price of Can $0.20 per unit. Each unit consisted of one common share and one-half common share purchase warrant with each full warrant exercisable into one common share at $0.25 per share (see the news releases dates August 3, 2018 and August 13, 2018 and filed on SEDAR).

Business Overview and Summary

The Company was incorporated under the British Columbia Business Corporations Act ("BCBCA") under the name of TriStar Gold Inc., on May 21, 2010. TriStar was created to hold certain existing Brazauro assets as a result of a Plan of Arrangement Agreement (the "Arrangement") between Brazauro Resources Corporation ("Brazauro") and Eldorado Gold Corporation ("Eldorado"). The completion of this Arrangement occurred on July 20, 2010.

TriStar's primary business focus is the acquisition, exploration and development of precious metal prospects in the Americas, including its current focus on advancing the exploration success of CDS located in the Tapajós Gold District of Brazil's northerly Pará

State. The Company is concentrating its exploration activities on the CDS property because it hosts a significant gold mineral resource (see the property description which follows).

The Company is subject to regulation by the Federal Mines Department in Brazil and the Departamento Nacional de Produção Mineral ("DNPM"). The Company holds exploration licenses and/or applications for exploration licenses granted or to be granted by the DNPM for CDS. The exploration licenses for CDS are subject to requirements to maintain rights over the properties. With respect to the core exploration license on the CDS property, the Company was required to file a report by August 2014 demonstrating sufficient exploration work has been conducted to determine the existence of a deposit, as defined by Brazilian regulations. The Company filed the required report at the end of July 2014. Official approval of this report was received by the Company on April 17, 2017 and the required economic study was filed on April 16, 2018. On August 24, 2017, the Company filed the required final exploration reports for three concessions that form part of the CDS project. These reports were required pursuant to Brazilian mining law.

Since its inception, the Company has had no revenue from operations other than minimal interest income on invested cash balances. The Company's current properties are in the exploration stage and have not yet been proven to be commercially viable.

Property Information and Activity

Castelo de Sonhos (Para State Brazil)

Current Mineral Resource Estimate

On December 4, 2017, the Company completed an updated resource estimate, which increased the resource estimate that was previously disclosed in the Technical Report (filed on SEDAR). This updated resource estimate included assays from the 37 drill holes comprising the Phase 3 drilling campaign that were obtained after the completion and filing of the Technical Report.

The table below provides the mineral estimates for updated resource estimate above a reporting cutoff [(2)] of 0.4 grams per tonne gold:

Property Area	Resource Category	Tonnage (million tonnes)	Gold Grade (grams per tonne)	Contained Gold Ounces (millions)
Esperanca South	Indicated	8.9	1.8	0.5
	Inferred	14.9	1.2	0.6
Esperanca Center	Inferred	11.3	1.0	0.4
Area Totals	**Indicated**	**8.9**	**1.8**	**0.5**
	Inferred	**26.2**	**1.2**	**1.0**

1. Numbers have been rounded to reflect the precision of Inferred and Indicated mineral resource estimates.
2. The reporting cut-off corresponds to the approximate marginal cut-off for an open pit with total operating costs (non-waste mining + processing + G&A) of US$15.00/t, metallurgical recovery of 98% and a gold price of US$1200 per ounce. These are mineral resources and not reserves and as such do not have demonstrated economic viability.
3. The metal content estimates reflect gold in-situ and do not include factors such as external dilution, mining losses and process recovery losses.
4. TriStar is not aware of any economic, permitting, legal, title, taxation, socio-economic, marketing or political factors that might materially affect these mineral resource estimates.

R. Mohan Srivastava a Vice-President of TriStar, is the Qualified Person (as such term is defined under NI 43-101) who was responsible for the updated resource estimate. See the news release of the Company dated December 4, 2017, titled "*Tristar Gold Continues to Expand Resources at Castelo De Sonhos*", which was filed on SEDAR, for further information regarding the updated resource estimate.

2018 Program to date

The first phase of the 2018 drill program consisted of 960 meters (8 holes) of core and 3,972 (34 holes) meters of reverse circulation ("RC") drilling. The RC program includes infill drilling in Esperança Center, and Esperança South and broader definition drilling in Esperança East. The core drilling targeted resource extensions on steep slopes. All assays have been received and in general their results exceeded management's expectations and added confidence to the geological understanding of CDS. The Company has a tabulation of significant drill hole results on its website at www.tristargold.com and under the projects tab.

In addition, the 2018 program has identified two new gold bearing mineralization areas the "2018 New Discovery Zone' ("NDZ") and the 2018 Upper Conglomerate Zone ("UCZ"). The NDZ conglomerate outcrops on the far western edge of the property and has a mapped strike length of approximately 2 km. Ten soil sampling lines at 200 meter spacing have confirmed that the NDZ is highly anomalous in gold, with all lines showing a distinct continuous zone of mineralization coincident with the conglomerate. The UCZ was initially recognized in 2016 as an additional band of conglomerate that sits in the arenite above the main conglomerate band. Four sampling lines were located to cross the UCZ, and assays from the soil samples from all lines encountered anomalous gold grades. The size of the UCZ has not yet been determined, but mapping and sampling work so far suggests it is more than 1 km in strike length.

Background

The Company's only material mineral property is CDS, known as the Castelo de Sonhos Property, which is an exploration-stage gold property located in Para State, Brazil.

The technical information regarding CDS set out in this MD&A, other than information relating to the Updated Mineral Resource Estimate, is summarized from the Technical Report, which was prepared by Dr. Adrian Martinez, PhD., (P. Geo) and Chris Campbell-Hicks, FAusIMM, CPMet, MMICA, of CSA Global Canada Geosciences Ltd. ("CSA"). A copy of the Technical Report can be found on SEDAR at www.sedar.com.

Project Description, Location and Access

CDS is located in the southwest of Pará State in Brazil near the federal road BR-163 which links the cities of Cuiabá to Santarém. CDS is approximately 30 kilometers by road from the town of Castelo de Sonhos. The topography of the region is characterized by low plains, at the margins of the Rio Curuá and its tributaries, with an average elevation around 250 meters above sea level. In contrast, the plateau (which hosts the mineralization at CDS) is approximately 550 meters above sea level. The climate is classified as tropical monsoon, with average annual precipitation around 2,000 mm. The rainy season is December to May. The area has been largely deforested for cattle ranching.

The property is approximately centered at coordinates 8 degrees 12'07" South, 54 degrees 59'20" West. CDS consists of approximately 26,751 hectares of mineral rights on six contiguous claims. This claim holding will reduce to 17,177 hectares assuming approval from the respective permitting agency of the three final exploration reports filed in 2017. Road access to CDS is usually possible all year, however heavy seasonal rainfall may temporarily cause flooding of roads and bridges. Pará State is considered a mining friendly jurisdiction with a very significant percentage of the State's economic activity resulting directly or indirectly from the mining industry.

While management believes that the six claims comprising the CDS property cover one deposit, discrete areas of the CDS claim holdings are discussed to assist the reader in understanding the work underway and work performed in the past. Of the six claims, one has recently been acquired, in which case the Company has an additional five years to file a positive final exploration report. Two of the claims had final exploration reports filed in August 2017 and for the third claim the exploration is valid for another year. The Company has completed and filed the final positive exploration report on the remaining claim, which was approved on April 17, 2017, and on April 16, 2018 filed the Plano de Aproveitamento Economico, a report that demonstrates economic viability. The permitting process may be slightly modified from the above description as changes to the mining law are being discussed. It is not known how any possible changes to the mining law may affect the Company's plans to advance the exploration and development work at CDS.

The existing infrastructure for CDS is considered excellent for a developmental project, specifically

- ✓ there is a 138 kv power line which parallels state highway BR-163;
- ✓ the village of Castelo de Sonhos is located on a paved highway (BR -163) affording ground access to nearby cities and port facilities;
- ✓ there is a fully functional exploration camp;

- ✓ the camp is serviced by a 550-meter airstrip adequate for small aircraft;
- ✓ CDS is accessible by a 30 km road from the nearby village of Castelo de Sonhos; and
- ✓ the village of Castelo de Sonhos (population circa 10,000) offers many services including banks, medical facilities, supermarkets, restaurants, hotels, an airstrip and light and heavy vehicle repair facilities.

The original vendors of CDS retain a 2% net smelter return ("NSR") royalty (half of which can be purchased by TriStar for a value based on gold reserves at that time), a one-time bonus payment of US $1.00 per ounce of gold if NI 43-101 proven and probable reserves exceed one million ounces and a payment of US $3,600,000 upon commercial production (TriStar has the option to pay US $1,500,000 upon or prior to making a production decision in lieu of the production payment).

The Company has not yet experienced any opposition to its exploration work at CDS from local, international environmental or special interest groups. However, as the size and scope of the project expands, the Company may experience opposition to its activities and plans which may halt or seriously delay development at CDS. In addition, in certain periods of the year rainfall is very heavy which may temporarily affect the Company’s ability to undertake work at CDS. In addition, a shortage of skilled labour, an inability to contract the required drill rigs and insufficient funding could impact the Company’s ability to perform the required work at CDS.

Historical Exploration and Activities

The Tapajós gold province, in which CDS is located, was the scene of a historical gold rush in Brazil. It is estimated that between 100,000 and 200,000 itinerant miners worked in the region from the 1960’s to mid-1990’s exploring and mining gold mainly from the fluvial sediments, with gross gold production estimated at between 16 and 30 million ounces.

Barrick Gold Corp. (“Barrick”) conducted significant exploration at CDS from June 1995 to November 1996. TriStar has this exploration data, consisting of 509 stream sediment samples; 3,093 soil samples; 1,472 rock samples; 2,313 trench samples; and 23 diamond drill holes totaling 2,027 meters. These activities led to the identification of two large strong gold soil anomalies, being the Esperança South area and the Esperança Center area.

Geological Setting, Mineralization and Deposit Type

The host rocks for CDS’s gold mineralization are quartzites, meta-arenites and metaconglomerates of the Early Proterozoic Castelo de Sonhos Formation (+2 billion years ago). Geologically, CDS is believed to be a paleoplacer, similar in nature to Tarkwa in Ghana and Jacobina in Brazil. CDS encompasses a 15 km by 12 km plateau with an average elevation 300 meters above the surrounding plains.

The Company believes the geology and mineralization of the CDS deposit is typical of a modified paleoplacer in which low-grade metamorphism may have remobilized gold over short distances in places. The sediments that now constitute the conglomerate bands at CDS were formed approximately 2.0 to 2.1 billion years ago, likely in a near-shore environment or in a large inland basin. At CDS, as well as Jacobina and Tarkwa, gold is hosted in quartz-pebble conglomerates; furthermore, gold grades in all of these tend to be higher in the pebble-supported conglomerates and to generally decrease when the size, frequency, sorting and packing of pebbles indicates an environment more distal from the source, lower in energy where water would flow more slowly and would be less able to keep gold grains and large pebbles in suspension.

In all three deposits, the mineralized horizons within the conglomerate band show significant silicic and hematitic alteration, although Jacobina also contains abundant pyrite. It is believed the mineralogy of CDS is more similar to Tarkwa than Jacobina. Reconstructions of the relative locations of cratons two billion years ago indicate that they formed a supercontinent close to the South Pole. At that time, lode deposits along a central mountain range provided a source for gold that rivers and creeks could transport downhill toward the coastline.

TriStar’s Early Exploration Activity (2011-2015)

TriStar’s initial exploration program included a review of all Barrick’s results, followed by a more detailed soil sampling program over the two main soil anomalies identified by Barrick and additional soil sampling over other prospective areas, geological mapping, an airborne geophysical survey and initiated core drilling.

From December 2010 through June 2014, the Company completed the construction of a camp, worked at the Esperança Center area, the Esperança South area and other targets involving the collection and assaying of 7,529 soil samples, conducted geological mapping over 4,016 points with geological descriptions, completed an airborne geophysical survey covering 7,019 linear kilometers and completed 16,213 meters of core drilling in 144 drill holes.

The soil geochemistry sampling program performed by the Company at CDS confirmed the previous results obtained by Barrick and has not only extended the anomalous zones, but also identified additional areas of interest such as the Esperança East and Esperança West areas. At CDS the main conglomerate package, which is the host for the gold mineralization, has a horseshoe shaped surface expression which extends for approximately 16 kilometers. The continuing exploration performed by TriStar has expanded the gold-in-soil anomalies to a total length of approximately 18 kilometers coincident with the outcropping conglomerates.

The Esperança East area is located east of Esperança Center and is 2,000 meters long by 800 meters wide. In addition, a narrower soil anomaly (referred to as Esperança West) was better defined with the continuation of the soil sampling being carried out. Esperança West extends for approximately 4,000 meters with an average width of 400-500 meters.

The Company completed a three-phase drilling program of 16,213 meters of core drilling to test portions of Esperança Center and Esperança South areas and the newly discovered Esperança East and Esperança West areas. The first drilling campaign (33 holes for 5,663 meters) started in September 2011 and was completed on February 2012. The second phase drilling campaign (60 holes for 6,440 meters) started in July 2012 and was completed in November 2012. The third phase drilling campaign (51 holes for 4,110 meters) started in April 2014 and was completed in June 2014. Total drilling in the three campaigns amounted to 16,213 meters.

At Esperança South, the drilling was focused on extending the known mineralization along strike as well down dip. The Company had already drilled 103 holes along a 2,800 meters long drilling line which follows the strike of the soil anomaly and the open cuts worked by the local garimpeiros.

In the Esperança Center area, 34 holes were drilled to date to investigate a 2,500-meter-long by 800 meters wide soil anomaly. Here the drilling campaigns were designed to fill in the grid, which has drilling lines spaced from 200 meters to 400 meters and also in a fence-like pattern, to follow mineralization along the cross-sections. At Esperança Center, the drilling enhanced the previous findings and a mineralized zone of approximately 1,000 meters was defined. The strong geochemical anomaly continues further north for at least another 1,500 meters and further drilling will be required for this area.

The Esperança East area is 2,000 meters long by 800 meters wide and its gold assays range from 100 ppb to 1,617 ppb. In this area the initial drilling results from five holes were encouraging and additional drilling is needed to better define the mineralization.

In Esperança West, the drilling was designed to investigate its soil anomaly as well a magnetic high anomaly identified by the airborne survey and one of the two holes drilled showed positive results.

During the second quarter of 2014 the Company completed a total of 4,110 meters of infill drilling as part of a campaign designed to demonstrate sufficient economic potential for converting one of its exploration licenses to an exploitation license. As a result of the success of the drill program, the Company filed a positive final exploration report with the DNPM in Brazil on July 31, 2014 and has received approval of this report.

TriStar's Recent Exploration Activity (2016-2017)

With the new management in place and additional funding secured, TriStar resumed drilling activities in the second half of 2016. In addition to the drilling programs, the Company also undertook additional metallurgical studies on samples collected in 2016 and 2017. This work was completed in February 2017 and the results are briefly summarized below.

Phase 1 and Phase 2 of the 2016-2017 drilling program have been completed. These phases consisted of a series of core holes along a fence-like step-out program in Esperança South and the more northerly in Esperança Center. Phase 1 consisted of five core holes and was completed in November 2016. The assays from these holes all contained significant mineralization and confirmed that gold mineralization extends at least two kilometers to the southwest beyond the resource area defined by the Company in 2014. Phase 2 consisted of five core holes, of which three encountered significant mineralization. The results from Phases 1 and 2 provided the Company with valuable information in planning the Phase 3 infill drilling program. In January 2017, McClelland Laboratories ("McClelland") in Sparks, Nevada completed metallurgical test-work on a bulk sample created from drill core from the Esperança South area of the CDS deposit. This bulk sample had a head grade of approximately 1.5 g/t gold. McClelland tested gold recoveries using both gravity concentration and cyanidation, with both sets of tests being performed at a range of commercially reasonable grind sizes. Gravity alone recovery to a rougher concentrate ranged from 41% to 84%. Gold recovery by cyanidation was analyzed using bottle roll tests with recoveries ranging from 93% to 98%. Consumption of cyanide and lime were both low, an additional benefit as this reduces operating costs. This work is described in more detail in the news release of the Company dated February 27, 2017 (which is filed on SEDAR).

The Phase 3 drilling campaign at CDS consisted of approximately 15,000 meters of reverse circulation in-fill drilling, which was completed in late 2017. The results of the Phase 3 drilling were used to prepare the two 2017 resource updates. The Company’s quality assurance and quality control (“QA/QC”) protocols for the years 2016 and 2017 are consistent with industry standards. Additional drilling was completed in 2018 as previously described.

Sampling, Analysis and Data Verification

Refer to the NI 43-101 technical report dated September 2017 (filed on SEDAR) for a full description of sampling, analysis and data verification.

Overall performance for the quarter ended June 30, 2018

During the second quarter of 2018, management's activities were primarily focused on completing an approximate 4,000-meter reverse circulation drill program and a 1,000-meter core program at CDS. Also, during the third quarter of 2018, the Company commissioned an independent company to complete a mineral resource update and a preliminary economic assessment at CDS.

In late 2017, two milestones were achieved. In September, the Company released the results of an independent 43-101 technical report which provided a new estimate of the resources at CDS. This independent technical report was produced by CSA Global wherein CSA Global estimated an inferred mineral resource (0.4 g/t cut-off) of 31 million tonnes containing 1.3 g/t or an estimated 1.3 million ounces of contained gold. Dr. Adrian Martinez (P.Geo) was the Qualified Person for this mineral resource estimated. This report has been filed on SEDAR. Then in December, the Company announced an updated resource estimate for CDS. In this news release (December 4, 2017), the updated resource estimate (0.4 g/t cut-off) was estimated to be; 8.9 million tonnes in the indicated category at 1.8 g/t for 0.5 million ounces of contained gold and 26.3 million tonnes in the inferred category at 1.2 g/t containing 1.0 million ounces of gold. The Qualified Person for this mineral resource estimate was R. Mohan Srivastava (P. Geo), a Vice-President of the Company.

Select Annual Financial Information

The table following provides selected material financial information for the last three fiscal years reported in thousands (000's) of US dollars. In all years reported the results are audited.

	2017	**2016**	**2015**
Cash and cash equivalents	960.3	1,674.3	1,081.0
Total assets	18,458.2	15,793.3	12,951.2
Total shareholders' equity	17,394.2	14,518.2	10,941.1
Total revenue	nil	nil	nil
Net loss from continuing operations	(820.1)	(2,143.4)	(2,123.1)
Per share-basic	(0.01)	(0.02)	(0.02)
Per share- fully diluted	(0.01)	(0.02)	(0.02)
Net and comprehensive loss	(820.1)	(2,143.4)	(2,123.1)
Per share-basic	(0.01)	(0.02)	(0.02)
Per share-fully diluted	(0.01)	(0.02)	(0.02)
Dividends paid	nil	nil	Nil

The key highlights from the above information include the following:

- Change in cash and cash equivalents is closely correlated with changes in shareholders' equity because the sale of common stock is the Company's sole means of raising capital at present;
- The most significant uses of cash are for exploration at CDS and general and administrative costs;
- The Company has no operating activities and therefore is unlikely to report positive earnings from operations;
- As discussed below the main factors impacting earnings are general and administrative expenditures, expensing of stock options and changes in the fair value of warrants liability (see the discussion below for further details on these factors); and
- The Company capitalizes expenditures at its mineral properties which is responsible for increases in total assets.

Summary of Quarterly Results

The following table includes selected quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements prepared by management and the Company's audited consolidated financial statements for the years ended December 31, 2017 and 2016. The Company's consolidated financial statements are prepared in accordance with IFRS. All amounts are reported in 000's of US dollars.

The Company is an exploration stage junior mining company. It has no operations in production and no source of sales or revenue from operations. It relies on funding its activities largely from the sale of its equity. In accordance with International Financial Reporting Standards, the Company capitalizes all expenditures made on its resource properties. As such there are only a few significant items which impact its results from operations. These items include the on-going level of general and administrative spending which, in accordance with IFRS, may include the non-cash cost of stock options granted. A second major item affecting its results from operations is the change in warrants liabilities. Warrants liability changes are most significantly affected by changes in the Company's trading price of its common shares, by the change in the United States and Canadian dollar exchange rate because the Company reports its financial statements in US dollars whereas the exercise price of the Company's warrants and its underlying common stock are traded and priced in Canadian dollars ("Can$") and by the number of warrants outstanding (a change caused by warrants being issued, exercised and/or some warrants expiring unexercised). Thus, in accordance with IFRS, this foreign exchange variance is considered an embedded derivative and changes must be reported in profit and loss. It is important to remember that the change in the fair value of warrants liability is a non-cash expense item.

Significant variances in the Company's reported income or loss from quarter to quarter most commonly arise from those factors described above and they are difficult to anticipate in advance or to predict from past results. These factors include: (i) the granting of incentive stock options, which results in the recording of amounts for share-based compensation expense, and (ii) the periodical valuation at fair value of warrants liabilities. Both of these amounts may be quite large in relation to other general and administrative expenses incurred in any given quarter or fiscal year.

	Q2.2018	**Q1.2018**	**Q4.2017**	**Q3.2017**
Cash and cash equivalents	631.1	1,878.7	960.3	1,827,8
Total assets	19,355.4	19,858.5	18,458.2	18,807.5
Total shareholders' equity	18,611.5	18,687.3	17,394.2	17,664.4
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(75.7)	10.7	(295.6)	226.7
Per share-basic	(0.00)	0.00	(0.00)	0.00
Per share- fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Net and comprehensive income /(loss)	(75.7)	10.7	(295.6)	226.7
Per share-basic	(0.00)	0.00	(0.00)	0.00
Per share-fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Dividends paid	nil	nil	nil	nil

	Q2.2017	**Q1.2017**	**Q4.2016**	**Q3.2016**
Cash and cash equivalents	3,717.3	1,248.7	1,674.3	1,677.4
Total assets	19,000.9	15,727.1	15,793.3	15,370.4
Total shareholders' equity	16,929.5	14,786.5	14,518.2	9,946.9
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(497.3)	(253.9)	2,229.0	(2,177.4)
Per share-basic	(0.00)	(0.00)	0.02	(0.02)
Per share- fully diluted	(0.00)	(0.00)	0.02	(0.02)
Net and comprehensive income/(loss)	(497.3)	(253.9)	2,229.0	(2,177.4)
Per share-basic	(0.00)	(0.00)	0.02	(0.02)
Per share-fully diluted	(0.00)	(0.00)	0.02	(0.02)
Dividends paid	nil	nil	nil	nil

Discussion of Results from Operations

<u>Results for the three-month periods ending June 30, 2018 and June 30, 2017</u>

The table below provides a comparison of the financial performance for the three months ended June 30, 2018 to the comparable quarter ended June 30, 2017.

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Change Increase/(decrease)
Expenses			
General and admin costs	$421,333	$502,460	$(81,127)
Foreign Exchange losses /(gain)	(44,145)	(151,589)	107,444
Other income/(expenses)			
F.V. warrant liability change	300,694	(150,827)	451,521
Loss on equipment disposal	(257)	0	(257)
Bank charges and interest income net	1,006	4,439	(3,433)
Net and comprehensive income/(loss) for the quarter	**$(75,745)**	**$(497,259)**	**$421,514**

The Company reported a net loss for the quarter ended June 30, 2018 of $(75,745) compared to a net loss of $(497,259) for the comparable three-month period in 2017. The major reasons for the reduction in the quarterly loss for the quarterly comparison was that, in 2018, G&A expenses were lower than the 2017 quarter, and in 2018 there was a gain in the warrants liability compared to an expense in 2017. With respect to the 2018 warrants liability change, for the period the price of common shares fell and the Canadian dollar depreciated compared to the US dollar. For the comparable 2017 period the Canadian dollar appreciated and the share price rose. The lower G&A costs are detailed below but the main reason for the lower expenses was that the Company is realizing benefits from cost control initiatives implemented in prior periods.

There were two major factors impacting the general and administrative accounts between the first quarter of 2018 as compared with the first quarter of 2017. In the first quarter of 2018, consulting expenses decreased because of less work commissioned and fewer stock options were granted in 2018. In 2017, the Company closed its administration office in Brazil. Also, in 2018 shareholder relations expenditures increased due to the marketing efforts related to the January private placement. As detailed below other G&A cost center changes were either lower or largely unchanged from the second quarter of 2017.

	2018.Q2	2017.Q2	YOY Change
Consulting and director fees	$96,354	$142,892	$(46,538)
Change in provision	1,822	6,382	(4,560)
Depreciation	449	334	115
Insurance	2,539	3,044	(505)
Office supplies etc	12,684	16,516	(3,832)
Rent	8,656	20,168	(11,512)
Salaries & benefits	216,774	249,697	(32,923)
Shareholder relations	57,241	18,383	38,858
Travel	24,814	45,044	(20,230)
TOTAL EXPENSES	**$421,333**	**$502,460**	**$(81,127)**

Significant factors which impacted expenses for the second quarter of 2018 compared to the second quarter of 2017 include the following:

- the decrease in consulting fees was attributable to a reduction in stock option expenses as very few options were granted in 2018;
- the decrease in the change in provision was due to the devaluation of the real;
- the other cost reductions were mostly due to cost control initiative put in place by management, including some staff reductions and the closure of the Houston office: and
- the Company spent considerable time revamping and enhancing its shareholder relations to support its fund-raising activities which accounted for this increase year over year.

<u>Results for the six-month periods ending June 30, 2018 and June 30, 2017</u>

The table below provides a comparison of the financial performance for the six months ended June 30, 2018 to the comparable period ended June 30, 2017.

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	Change Increase/(decrease)
Expenses			
General and admin costs	$926,792	$980,232	$(53,440)
Foreign Exchange losses	1,883	(143,934)	145,817
Other income/(expenses)			
F.V. warrant liability change	862,570	79,706	782,864
Loss on equipment sale	(257)	0	(257)
Bank charges and interest income net	1,323	5,445	(4,122)
Net and comprehensive income/(loss) for the quarter	**$(65,039)**	**$(751,147)**	**$686,108**

The net loss for the six months ended June 30, 2018 was $(65,039) compared to a net loss during the six months ended June 30, 2017 of $(751,147). The major reasons for the improved financial performance in 2018 compared to 2017 was because of lower general and administrative expenses resulting from cost controls initiatives implemented in prior period and a gain in warrants liability arising largely from a reduction in the value of older warrants as their term to maturity continues to deteriorate.

	YTD June 30, 2018	YTD June 30, 2017	YOY Change
Consulting and director fees	$201,425	$241,506	$(40,081)
Change in provision	9,493	11,494	(2,001)
Depreciation	836	639	197
Insurance	5,433	6,015	(582)
Office supplies etc.	31,954	28,681	3,273
Rent	19,319	39,285	(19,966)
Salaries & benefits	451,656	513,000	(61,344)
Shareholder relations	157,494	64,123	93,371
Travel	49,182	75,489	(26,307)
TOTAL EXPENSES	**$926,792**	**$980,232**	**$(53,440)**

Significant factors which impacted expenses for the six months ended June 30, 2018 compared to the comparable period in 2017 include the following:

- the decrease in consulting fees was mostly related to a reduction in stock options granted to consultants;
- the decrease in the change in provision was due foreign exchange factors;
- the decrease in insurance, and rent was because the Houston office was closed;
- salary expense was reduced because the Belem office was closed in late 2017 and staff levels decreased;
- the Company spent considerable time revamping and enhancing its shareholder relations to support its fund-raising activities which accounted for this increase year over year; and
- travel was reduced due to cost saving initiatives.

Impact of Inflation

The company has no source of revenue and therefore inflation effects relate primarily to the exploration costs in Brazil which are affected by both worldwide and country specific inflationary trends. In addition, as country specific inflation impact relative foreign exchange rates then inflation in Brazil compared to inflation in the US may impact the relative value of the Brazilian Real vis a vis the US dollar which would impact the reported US dollar cost of doing business in Brazil.

Trend Information

The cyclical nature of the prices of metals, particularly the price of gold, is likely to have an effect on the Company’s liquidity and capital resources. If the price of gold or the worldwide demand for gold decreases, there would likely be an adverse effect on the Company’s ability to raise additional funding or to attract exploration partners for its properties.

Financial Condition: Liquidity and Capital Resources.

The Company's properties have not yet proven to be developable due to the limited mineral resource currently estimated, and it has no revenues from mining operations. The rights and interests in the CDS and Bom Jardim properties in Brazil constitute the Company's current mineral holdings. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant financial resources and is largely based on factors that are beyond the control of the Company and its management.

The Company requires additional funding in 2019 to fund further drilling at the CDS property, and undertake additional technical studies. The amount the Company will be seeking to raise has not been determined at this time.

To date, the Company has financed its activities by the private placement of equity securities. In order to continue funding its exploration activities and corporate costs, the Company is reliant on its ongoing ability to raise financing through the sale of equity.

The most significant expenditure areas during 2018 were or will be for expenditures at CDS, including RC drilling, the completion of an updated resource estimate and a PEA and for the Company's general and administrative costs.

Recent financings are as follows:

- In January 2017, the Company received Can $0.6 million from the exercise of warrants.
- In April 2017, the Company completed a prospectus-based financing where-in it raised Can$5.1 million.
- In January 2018, the Company completed a private placement by issuing 12,980,297 units, each unit consisting of one common share and one-half common share purchase warrant realizing gross proceeds of Can $2,855,665.
- In August 2018, the Company completed a private placement by issuing 10,250,000 units, each unit consisting of one common share and one-half common share purchase warrant realizing gross proceeds of Can $2,050,000.

At June 30, 2018, the Company had working capital of $547,126 including $631,094 in cash and cash equivalents (December 31, 2017: working capital of $526,847 including $960,281 in cash and cash equivalents). Of the $631,094 in cash and cash equivalents at June 30, 2018, $48,316 and $26,610 was denominated in Canadian dollars and the Brazilian real, respectively, with the remaining balance in US dollars. The Company's cash position was increased by the August private placement. The Company's major exploration and development expenditures during the fiscal quarter ended June 30, 2018 were denominated in US dollars and the Brazilian real.

Mineral Properties and Deferred Expenditures

The Company's total mineral properties and deferred expenditures increased to $18,630,559 at June 30, 2018, from $17,440,667 at December 31, 2017 as a result of capitalized spending at CDS. Of the $1,189,892 in deferred spending at CDS, $158,482 was related to camp costs, $303,973 million was for wages and salaries, $530,695 was drilling, $89,087 was for assaying and sampling, and $107,655 was for all other costs.

Risks and Uncertainties

An investment in the Company's common shares is highly speculative and subject to a number of risks. Additional risks that the Company is unaware of or that are currently believed to be immaterial may become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be adversely impacted.

The Company is in the mineral property acquisition, exploration and development business and is exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies of like size and stage of development. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the company's business, results of operation, and financial performance in future years.

The Company's business plan to acquire additional exploration prospects, continue exploration activities on its current projects, and, if warranted, undertake development and mining operations, is subject to numerous risks and uncertainties, including the following:

Exploration and Development Stage Risk

Exploration for mineral resources involves a high degree of risk, the cost of conducting exploration programs may be substantial and the probability of success is difficult to assess.

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover minerals deposits but also from finding mineral deposits that, though present, are insufficient in size and quality to justify development or if developed generate profits and cash flows. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated and even one unexpected factor may result in the economic viability of the project being detrimentally impacted such that the project cannot be developed, or operations continue. The Company closely monitors its activities and those factors that could negatively impact them and the Company's employees and its advisors assist in risk management and to make timely decisions regarding future property expenditures.

Other risks associated with projects in the exploration and development stage which could cause delays or prohibit the advancement of the project including delays in obtaining required government approvals and permits and the inability to obtain suitable or adequate machinery, equipment, access, power or labor.

It is impossible to ensure that the current development programs planned by the Company will result in a profitable commercial mining operation. Mineral deposits and production costs are affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, foreign exchange changes, inflation, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Need for Additional Funding

Further funding is required by the Company to continue as a going concern and to implement management's plans to enhance shareholder value. The Company will need additional funding over the next 6 to 9 months. However, there is no guarantee that the Company will be able to raise sufficient funds to meet existing and future obligations.

The inability of the Company to raise further equity financing could adversely affect the Company's business plan, including its ability to acquire additional properties and perform exploration activities on, and maintain its existing properties.

Title to Properties

The Company cannot guarantee title to all of its properties as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or indigenous peoples' land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or are subject to renewal applications and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

Potential Dilution to Existing Shareholders

The Company will require additional financing in order to complete full exploration of its mineral properties. The Company anticipates that it may sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in dilution to existing shareholders.

General economic and financial market conditions

Since mid 2008, there has been heightened global economic uncertainty, increase financial and commodity market volatility, reduced investor confidence, greater shareholder and other stakeholder activism, bank failures and lessened credit availability. These economic events have had a negative effect on commodity markets which has secondarily impacted participants in the mining and exploration industries. This macro-environment may impact the ability of the Company to raise financing and/or implement its exploration and development plans.

Metal price risk

The price of gold affects the value of the Company's own securities and investments and the recoverable value of its exploration projects.

Geo-political Risk

The Company’s exploration properties are located in Brazil and it has no country diversification with respect to its principal assets. Therefore, any political or social disruptions unique to Brazil would have a material impact on the operations of the Company and its financial performance and stability. Additionally, the Company's projects are subject to the laws of Brazil and can be negatively impacted by the existing laws and regulations of that country, as they apply to mineral exploration, land ownership, royalty interests and taxation, and by any potential changes of such laws and regulations.

Properties in which the Company has an interest are located in Para state in Brazil (albeit in an area largely deforested), which may be of particular interest or sensitivity to one or more special interest groups. Consequently, mineral exploration and mining activities in those areas may be affected in varying degrees by political uncertainty, expropriations of property and changes in applicable government policies and regulation such as business laws, environmental laws, indigenous peoples' land claims, entitlements or procedures and mineral rights and mining laws affecting the Company’s business in that area. Any changes in regulations or shifts in political conditions are beyond the control or influence of the Company and may adversely affect its business, or if significant enough, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue its mineral exploration and mining activities in such areas.

Environmental Laws

The exploration programs conducted by the Company are subject to national, state and/or local regulations regarding environmental considerations in the jurisdiction where they are located. Most operations involving exploration or production activities are subject to existing laws and regulations relating to exploration and mining procedures, reclamation, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state and local governmental authorities as well as the rights of adjoining property owners. The Company may be required to prepare and present to federal, state or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly, time consuming, and may delay commencement or continuation of exploration or production operations.

Operating Hazards and Risks

The Company's operations are subject to hazards and risks normally associated with the exploration and development of mineral properties, any of which could cause delays in the progress of the Company's exploration and development plans, damage or destruction of property, loss of life and/or environmental damage. Some of these risks include, but are not limited to, unexpected or unusual geological formations, rock bursts, cave-ins, flooding, fires, earthquakes; unanticipated changes in metallurgical characteristics and mineral recovery; unanticipated ground or water conditions; industrial or labor disputes; hazardous weather conditions; cost overruns; land claims; and other unforeseen events. A combination of experience, knowledge and careful evaluation may not be able to overcome these risks.

The nature of these risks is such that liabilities may exceed any insurance policy limits, the liabilities and hazards might not be insurable or the company might not elect to insure itself against such liabilities due to excess premium costs or other factors. Such liabilities may have a material adverse effect on the Company's financial condition and operations and could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Company.

Competition

The mineral industry is competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

Insurance Coverage

Mineral exploration is subject to risks of human injury, environmental and legal liability and loss of assets. The Company may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or, in some cases, insurance may not be available for certain risks. Occurrence of events for which the Company is not insured could have a material adverse effect on the Company's financial position or results of operations.

Key Executives

The Company's operations require employees, consultants, advisors and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people, geologists and equipment operators. The Company competes both locally and internationally for such professionals. If the Company is unable to acquire the talents it seeks then it could experience higher operating costs, poorer results and an overall lack of success in implementing its business plans.

The Company is dependent on the services of key senior executives and certain other vice-presidents and advisors. Each of these executives has many years of background in the mining industry. The Company may not be able to replace that experience and knowledge with other individuals which may result in a material adverse effect on the Company's business and financial performance.

Supplemental Disclosure for Venture Exchange Issuers

The required disclosure is in note 8 in the audited consolidated financial statements for the quarter ended June 30, 2018.

Disclosure of Outstanding Share Data, Warrants and Options

A. Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As of the date of this report, the Company has issued and outstanding a total of 178,754,440 common shares compared to 155,524,143 outstanding as at December 31, 2017, with the increase in shares outstanding reflecting the private placements completed in January and August 2018.

B. Common Stock Purchase Warrants

As of the date of this report the Company had 20,169,281 stock purchase warrants outstanding in accordance with the following schedule.

Expiration date	**Exercise price (Can$)**	**Number**
April 28, 2019	0.45	8,554,134
July 24, 2020	0.35	6,490,147
February 3, 2021	0.25	3,600,000
February 10, 2021	0.25	1,525,000

C. Stock options for the purchase of Common Stock

TriStar has established a stock option plan for directors, senior officer employees, management company employees and consultants of TriStar and its subsidiaries. Under the terms of the plan, the options may be exercisable over periods of up to ten years at the option of the Board of Directors, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Options are issued at the discretion of the Board of Directors and typically vest in full upon grant.

As of the date of this report, the company had a total of 15,425,000 stock options outstanding in accordance with the following schedule.

Expiry date	**Exercise price (Can $)**	**Number**
April 29, 2019	0.15	1,475,000
February 11, 2020	0.20	1,600,000
December 9, 2020	0.18	8,375,000
April 18, 2021	0.28	750,000
September 27, 2022	0.25	2,975,000
October 19, 2022	0.25	150,000
February 7, 2023	0.28	100,000

In addition to the stock options granted to employees and consultants, The Company has granted underwriters in a number of its financings warrants to acquire common shares. A total of 750,542 agent compensation warrants are outstanding in accordance with the table below.

Expiry date	**Exercise price (Can $)**	**Number**
April 28, 2019	0.45	660,496
July 24, 2020	0.35	72,546
February 3, 2021	0.25	17,500

Financial Instruments

Non-derivative financial assets

The Company recognizes all financial assets initially at fair value and classifies them into one of the following four categories: held-to-maturity, available-for-sale ("AFS"), loans and receivables or other financial assets, or fair value through profit or loss ("FVTPL"). Financial instruments held to maturity and loans and receivables are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss).

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) are based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the closing bid price of the day.

The Company has classified cash and cash equivalents and receivables as loans and receivables.

The fair value of cash and cash equivalents and accounts receivable are approximated by their carrying value due to the short-term nature of these financial instruments.

Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of comprehensive income (loss). Other financial liabilities, are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

Accounts payable and accrued liabilities and provisions are classified as other financial liabilities.

The fair value of accounts payable and accrued liabilities are approximated by their carrying value due to the short-term nature of these financial instruments.

Derivative instruments

Derivative instruments are recorded at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recorded in net income or loss.

The Company's share purchase warrants with exercise prices in Canadian dollars are derivative liabilities and accordingly, they are recorded at fair value at each reporting period, with the gains or losses recorded in the statement net income or loss.

Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

Market Risks

The significant market risks to which the Company is exposed include commodity price risk, foreign exchange risk and interest rate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At June 30 2018, the financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests any excess cash balances in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held with financial institutions in Canada and the United States. Management considers that its exposure to credit risk is low.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its accounts payable and accrued liabilities.

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalents balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. At June 30, 2018 the Company had cash and cash equivalents of $631,094 and accounts payable and accrued liabilities of $135,898. The Company anticipates that it will need to obtain additional financing in 2019 in order to undertake exploration at CDS.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any properties in production and therefore has no sales revenue or cash flow from operations, nor does it undertake any hedging or other commodity price management techniques.

The international price of gold has historically fluctuated widely and is affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, the relative strength of the US dollar vis a vis other currency, the monetary policies of governments and forward sales by producers and speculators. The Company does not actively manage its commodity price risk for the price of gold.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity. The Company is exposed to interest rate risk on its short-term investments which are included in cash and cash equivalents. The short-term investment interest earned is based on prevailing one to 90 days market interest rates which may fluctuate. The Company has not entered into any derivative contracts to manage this risk.

Currency risk

The Company operates in United States of America, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in United States dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

Transaction exposure

The Company operates and incurs costs in three main currencies; the US dollar, the Canadian dollar and the Brazilian real. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian real at June 30, 2018, with all other variables held constant would have decreased the Company's before tax net loss by approximately $66,000 (June 30, 2017: would have decreased the Company's before tax net loss by approximately $162,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the United States dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	June 30, 2018		December 31, 2017	
	Canadian dollar	Brazilian Real	Canadian dollar	Brazilian Real
Cash and cash equivalents	$ 48,316	$ 26,610	$ 22,292	$ 16,705
Accounts receivable	-	3,317	536	10,427
Prepaid expenses	47,736	-	32,592	-
Accounts payable and accrued liabilities	(36,913)	(94,143)	(325,522)	(63,987)
Provisions	-	(285,413)	-	(322,713)
Warrants liability	(322,537)	-	(253,944)	-
Net balance sheet exposure	**$ (263,398)**	**$ (349,629)**	$ (524,046)	$ (359,568)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk or currency risk. As at June 30, 2018, the Company has negligible other price risk.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.

- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at June 30, 2018, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	$ 631,094	$ -	$ -
Liabilities			
Warrants liability	-	322,537	-
	$ 631,094	**$ 322,537**	**$ -**

The following table provides the carrying value and the fair value of financial instruments at June 30, 2018:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	$ 631,094	$ 631,094
Accounts receivable	2,694	2,694
	$ 633,788	$ 633,788
Financial liabilities		
Accounts payable and accrued liabilities	$ 135,898	$ 135,898
	$ 135,898	$ 135,898
Derivative instruments		
Warrants liability	$ 322,537	$ 322,537

Commitments and Contingencies

The Company leases offices in the USA, Canada and Brazil and houses at CDS, with expiry dates ranging between September 2018 and December 2018 for an estimated cost of $7,500 per month with one to three month's cancellation notice.

The Company has various property access agreements related to its projects at an estimated cost of approximately $2,000 per month.

There are no known pending legal proceedings of a material nature to which the Company or any of its subsidiaries is a party or to which any of their properties are subject.

Related Party Transactions

Key management personnel compensation comprised:

	Quarter ended June 30, 2018	Quarter ended June 30, 2017
Short term employee benefits: Salaries	**$156,567**	$174,618
Consulting fees	**47,259**	50,817
	$ 203,826	$225,435

For the period ended June 30, 2018, short term employee benefits received by key management personnel in the amount of $18,549 (June 30, 2017: $34,972) were reported in mineral properties and deferred expenditures (Note 8) under exploration cost of the CDS project, and the amount of $310,678 (June 30, 2017: $314,534) was recorded in the salaries and benefits expenses account (Note 16) in the Consolidated Statements of Comprehensive Income (Loss).

During the three and six month periods ended June 30, 2018, the Company paid consulting fees of $47,259 and $98,184 respectively (June 30, 2017: $50,817 and $102,720 respectively) to directors and officers for advisory services, and did not pay any directors' fees.

For the period ended June 30, 2018, consulting fees paid to key management personnel in Brazil in the amount of $74,703 (June 30, 2017: $80,232) were reported in Mineral properties and deferred expenditures (Note 8) under exploration costs at CDS.

As of June 30, 2018, the total number of outstanding warrants and options held by directors and officers of the Company was 1,977,839 and 11,175,000, respectively (June 30, 2017: 1,977,839 and 10,225,000, respectively).

During the period ended June 30, 2017, a director exercised a total of 1,316,067 warrants (June 30, 2018: nil).

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and the Board of Directors.

Critical Accounting Estimates

The following are critical judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that management has made in applying the Company's accounting policies which have the most significant effect on the amounts recognized in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Going concern

Management considers whether there exists any event(s) or condition(s) that may cast doubt on the Company's ability to continue as a going concern. These considerations consider all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Functional currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the United States dollar.

Impairment of assets

Management assesses each cash-generating unit at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a cash-generating unit for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of derivative financial instruments

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. Fair values of warrants have been measured using the Black-Scholes model, considering the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

At June 30, 2018 the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	76.1% to 78.77%
Risk-free interest rate	1.88%
Expected life	1 months to 25 moths
Share Price	Can$0.19

At June 30, 2017 the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	78.61%-93.73%
Risk-free interest rate	0.69%
Expected life	12 to 22 months
Share Price	Can$0.375

Fair value of stock options

The Company provides additional compensation benefits to employees and non-employees through a stock-based compensation plan. Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. The fair value of the options granted is measured using the Black-Scholes model, considering the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

The fair value of options granted to agents relating to the January private placement for the period ended June 30, 2018 has been estimated as of the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

	Period ended June 30, 2018
Expected dividend yield	0%
Expected volatility	109.31%
Risk-free interest rate	1.64%
Expected life	2.5 years
Share Price	Can$0.30
Weighted average fair value of options granted	Can$0.17

The fair value of options granted to agents was $10,409 and was recorded in capital reserve.

The fair value of options granted to consultants for the period ended June 30, 2018 has been estimated as of the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

	Period ended June 30, 2018
Expected dividend yield	0%
Expected volatility	109.77%
Risk-free interest rate	2.01%
Expected life	5 years
Share Price	Can$0.28
Weighted average fair value of options granted	Can$0.22

The fair value of stock-based compensation relating to the granting of stock options is recorded in general and administrative expenditures with the corresponding credit to capital reserve. The amounts charged to expenses in 2018 was $17,658.

Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. The provision recognized in the accounts of the Company represents a possible tax liability in Brazil relating to the termination of certain employees in Brazil. The Company cannot predict with any level of certainty the amount or timing of this contingent liability, if one exists. The changes in the provision reflects changes in foreign exchange rates as the ultimate liability, if any, would be payable in the Brazilian Real.

The following table presents the changes in the Provision:

	Amount
Balance at December 31, 2017	**$ 322,713**
Change in provision estimate	(37,300)
Balance at June 30, 2018	**$ 285,413**

Recent Accounting Pronouncements

The following IFRS standards became effective for the Company beginning on January 1, 2018:

a) IFRS 9- *Financial Instruments* ("IFRS 9 ") replaced IAS 39. It provides a revised model for the recognition and measurement of financial instruments and a single, forward- looking expected loss impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The adoption of IFRS 9 did not materially affect the financial reports of the Company because there were no adjustments to the classification of financial assets and liabilities, the expected credit loss impairment model did not impact the Company and the reformed approach to hedge accounting had no impact because the Company is not required to apply hedge accounting.

b) IFRS 15, *“Revenue from Contracts with Customers”* replaced IAS 18, *Revenue*, IAS 11, *Construction Contracts* and a number of related interpretations. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard was adopted by the Company on January 1, 2018, and because the Company has no product or service revenue from other parties, this standard did not impact the financial reports of the Company.

The IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods nor has the Company applied any of these standards.

IFRS 16, *Leases* was published in January 2016 and supersedes IAS 17- *Leases.* IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lease accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been applied. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements, but because the Company does not have any material lease agreements, its impact should be immaterial.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures ("DC&P") are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decision-making regarding required disclosures. The Company's CEO and CFO have concluded that information required to be disclosed in the Company's annual and quarterly financial statements and the annual and quarterly MD&A have been disclosed and fairly presented as at each reporting date and they believe that processes are in place to provide them with sufficient knowledge to support such representation. However, a control system, no matter how well conceived and implemented can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Internal control over financial reporting ("ICFR") is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with the Company's management and Board of Directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use of, or disposition of assets that could have a material impact on financial statements.

The Company is not required to certify the design and evaluation if its disclosure controls and procedures nor its internal controls over financial reporting as it is a venture exchange issuer, nor has the Company conducted a detailed investigation into these controls. Therefore, inherent limitations exist on the ability of the CEO and CFO to design and implement cost effective DC&P and ICFR for the Company and these limitations may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility For Financial Statements

The Company's condensed consolidate unaudited interim consolidated financial statements for the second fiscal quarter ended June 30, 2018 have been prepared by management and are in accordance with IFRS as issued by IASB. Financial information contained in this MD&A has also been prepared by management and is consistent with the data contained in the Company's financial statements for the quarter ended June 30, 2018.

Off-Balance Sheet Arrangements

As of the date of this report, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Proposed Transactions

The Company does not currently have any undisclosed proposed transactions approved by the Board of Directors. All existing transactions are fully disclosed in the Company's interim unaudited financial statements for the quarter ended June 30, 2018.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or be associated with, other reporting companies or have significant shareholdings of other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC Business Corporations Act ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that person must at a meeting of the Company's directors disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the province of British Columbia, the directors and officers of TriStar Gold are required to act honestly, in good faith, and in the best interests of the Company.

Qualified Person

Mr. Nicholas Appleyard B.Sc., MAusIMM (CP), a qualified person as defined in NI 43-101, has read and approved the technical portions of this Management's Discussion and Analysis.

Cautionary Note Regarding Forward-Looking Statements and Information

Certain statements in the MD&A constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; success of operating initiatives; the success (or lack thereof) with respect to the Company's exploration and development operations on its properties; the Company's ability to raise capital and the terms thereof; the acquisition of additional mineral properties; changes in business strategy or development plans; exploration and other property write downs; the continuity, experience and quality of the Company's management; changes in or failure to comply with government regulations or the lack of government authorization to continue certain projects; the outcome of litigation matters, and other factors referenced from time to time in the Company's filings with securities regulators. The use in the following Management's Discussion and Analysis of such words as "believes", "plans", "estimates", "may", "could", "would", "might", "will", "anticipates", "expects", "intends" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Material factors and assumptions used to develop the forward-looking information include but are not limited to, the following: there will be adequate liquidity available to the Company to fund future operations; the Company will be successful in raising addition capital in this and future periods; the actual exploration results will be favorable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and hire skilled staff, all required regulatory and government approvals will be obtained in a timely manner on terms acceptable to the Company, applicable geo-political conditions are favorable for future investment, gold and commodity price and foreign exchange rates remain favorable, no title disputes arise with respect to the Company's properties and the Company will remain in compliance with applicable regulatory and contractual obligations.

These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management on the date such statements are made. The success of the Company is dependent on the efforts of the Company, its employees and many other factors including, primarily, its ability to raise additional capital and establishing the economic viability of any of its exploration properties.

It is the Company's policies that all forward looking statements are based upon the Company's beliefs and assumptions which are based on and derived from information available to management at the time these assumptions are made. The forward-looking statements contained herein are based upon information available as at the effective date of this MD&A and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward looking information or statements to reflect new events or circumstances except as may be necessary under applicable securities law. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved and the underlying assumptions thereto will not prove to be accurate. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of the numerous risks, uncertainties and other factors such as those described above and discussed under Risks and Uncertainties.

Additional Information

Additional Information related to TriStar including material change notices, certifications of annual and interim filings, and press releases are available for review under the Company's profile in SEDAR at www.sedar.com, and the Company's website at www.tristargold.com.