MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended July 31, 2017

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of Camino Minerals Corporation (the "Company") and compares our year ended July 31, 2017 financial results with those of the comparable period of the previous year and is current as of November 28, 2017.

In order to better understand the MD&A, it should be read in conjunction with the latest audited annual consolidated financial statements of Camino Minerals Corporation for the year ended July 31, 2017. Camino Minerals Corporation's accounting policies are described in note 2 of the Company's annual audited consolidated financial statements.

We prepare and file with various Canadian regulatory authorities our consolidated financial statements and MD&A in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

The Company's shares are listed on the TSX Venture Exchange under the symbol COR.

OUR BUSINESS

We are a discovery-orientated mineral exploration company focused on the acquisition and development of high grade copper, silver and gold projects.

OVERVIEW

During the year ended July 31, 2017, the Company focused on raising capital to fund exploration activities on the Los Chapitos property acquired in 2016.

The Company completed a private placement in February 2017 of 10.5 million units at a price of 20 cents per unit consisting of one common share of the company and one non-transferable share purchase warrant. Each warrant entitled the holder to acquire one additional common share of the company at a price of 25 cents per common share for a period of 24 months after the closing date of the private placement. The Company raised gross proceeds of $2,100,000 to fund the Los Chapitos initial Reverse Circulation ("RC") drilling and proof of concept. In March, the Company issued shares pursuant to a debt settlement agreement (the "Agreement") with the Company's CEO. The $510,000 of cash conserved through the Agreement was used to further fund the Company's Los Chapitos drilling operations. A second private placement in May 2017 resulted in the issuance of 5,300,000 units at a price of $0.95 for gross proceeds of $5,035,000. Each unit comprising one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the company at a price of $1.35 per common share until May 30, 2019. The warrants are subject to an acceleration right in favour of the company. The proceeds of the financing are being used to fund the on-going diamond drilling program at Los Chapitos.

In July 2017, the Company sought to raise further funds for exploration and operating activities by accelerating the expiry date of share purchase warrants dated February 14, 2017. Subsequent to the year end, all of the 10,967,500 warrants subject to the acceleration had been exercised for gross proceeds of $2,741,875, which will go towards ongoing drilling at Los Chapitos.

EXPLORATION

During the year ended July 31, 2017 the Company focused on developing the Los Chapitos property. Extensive drilling programs were conducted at both the Adriana and Katty Zones.

Below is an overview of the Company's projects and the recent exploration activities.

Los Chapitos, Peru

Background

On July 19, 2016, the Company announced the signing of the final agreement with Minas Andinas SA (the "Vendor"), pursuant to which Camino could acquire through a wholly owned subsidiary, Camino Resources SAC, a 100% interest in the Los Chapitos project. The property has been expanded by the Company and now consists of 19 claims, totaling 7,719 hectares (19,075 acres), and is located 15 kilometers north of the coastal city of Chala, Department of Arequipa, Peru.

Under the terms of the option agreement, Camino has the right to earn a 100% interest in the Project, subject to a 1.5% Net Smelter Returns royalty ("NSR"), by making staged option payments and issuing common shares of Camino as follows:

Date for Option Payment	Amount	Shares
	$	
On the effective date of the option agreement (paid and issued)	$50,000	50,000
12 months after effective date (paid and issued)	$75,000	75,000
24 months after effective date	$100,000	100,000
36 months after effective date	$125,000	125,000
48 months after effective date	$150,000	150,000
Total	$500,000	500,000

The 1.5% NSR is payable up to a maximum of US$10 million. Camino retains the right of first offer to purchase the NSR. Advance royalty payments of US$500,000 will be payable for each 500 million pounds of copper equivalent ("CuEQ") incremental increase in measured and indicated resources. For the purposes of this agreement, CuEQ will be based on the contained pounds of copper, contained ounces of gold and silver, and the LME closing spot price on the date of release of each resource.

The Chapitos property is located 15 kilometres north of the coastal city of Chala, Department of Arequipa, Peru, approximately 9 hours' drive south of Lima along the Pan American highway. Numerous gravel roads connect the property to the highway from the towns of Chala and Tanaka. The mineralization is thought be related to an Iron Oxide Copper Gold ("IOCG") type deposit, similar to the Mina Justa deposit which is approximately 100 kilometers to the northwest along the same trend. The Adriana and Katty Zones are part of a 6 kilometer long trend of copper showings located on the eastern side of the property. This trend includes the Vicky Zone, which is located 4 kilometers south-west of the Adriana Zone and hosts similar geophysical anomalies. The western half of Chapitos hosts the Atajo Zone, which has historical workings along 400 meters of strike length that returned surface chip samples values averaging 2.10% copper over 38 meters and a second line averaging 1.57% copper over 64 meters.

Recent Exploration Activities and Results

In late October, 2016, an environmental assessment report was prepared and filed as part of the drill permit application, and included consultation with the local Community of Atiquipa. On November 22, 2016, the Company announced that it had signed a 5 year access agreement with the Community of Atiquipa whose lands cover the western half of the Los Chapitos project. This agreement allows all exploration activities by Camino, including trenching, road building, and drilling. There are no community lands currently covering the eastern half of the property, host to the Adriana and Katty zones.

In January 2017, the Company received notice that its Declaration de Impacto Ambiental (“DIA”), or Environmental Assessment, had been approved. Authorization to proceed with the drill programs on the Adriana and Katty zones on Chapitos was subsequently received in March 2017.

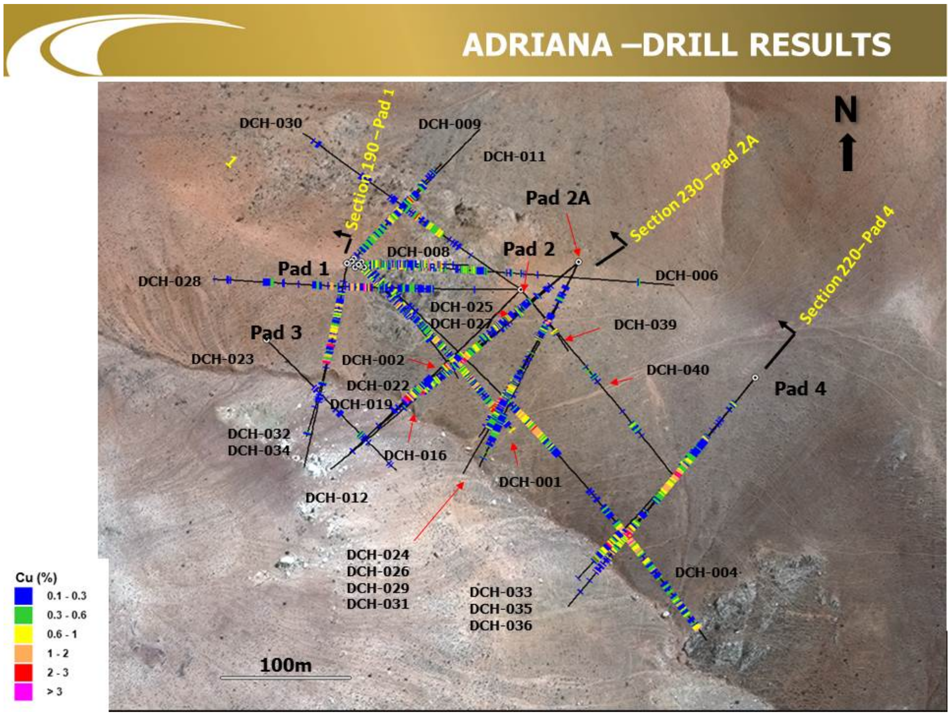
Adriana Zone

During April 2017, the Company announced the results from the five Reverse Circulation (“RC”) drill holes on the Adriana zone, with hole CHR-002 intersecting 1.30% copper over 106 meters, including 2.12% copper over 38 meters and ending in mineralization. All five of the RC drill holes experienced significant deviations with drill cutting returns averaging 70% over the full length of the holes. As a result, the decision was made to contract a diamond drill to complete the Phase 1 program.

On May 12, 2017 diamond drilling commenced on the project. The initial drilling focused on twinning the RC drill holes so the results of the two types of drilling could be compared. The assays for diamond drill hole DCH-001, which was a twin to RC hole CHR-002, were announced on June 7, 2017 and showed the hole had intersected two zones of significant mineralization. The upper zone started near the collar of the hole and averaged 0.73% copper over 55.3 meters, including 1.21% copper over 28.3 meters. The second intervals started at 190.0 meters downhole from the collar and averaged 0.72% copper over 168.5 meters, including 1.63% copper over 27.0 meters. This hole confirmed the earlier RC results, and demonstrated that the poor recoveries for the RC drilling had a negative bias on the oxide mineralization.

On July 11, 2017, the Company announced the results for the next two diamond drill holes on the Adriana Zone; DCH-002, and DCH-004. Hole DCH-002 was drilled underneath hole DCH-001 on the same section and intersected a near surface zone averaging 0.54% copper over 36.0 meters, and a deeper zone of mineralization averaging 0.62% copper over 55.5 meters, including 2.00% copper over 9.0 meters. Hole DCH-004 was also drilled on the same section, but above hole DCH-001, and intersected two zones of significant mineralization.

Below is the Adriana Zone drill plan and diamond drilling results:



Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
DCH-001	Pad-1	5.7	61.0	55.3	0.73	0.50
Incl.	-62/135	32.7	61.0	28.3	1.21	0.82
		85.5	118.5	33.0	0.40	0.24
		128.5	184.0	55.5	0.37	0.21
		190.0	358.5	168.5	0.72	0.25
Incl.		191.5	200.5	9.0	1.15	.07
Incl.		237.0	246.0	9.0	1.29	0.22
Incl.		330.0	357.0	27.0	1.63	0.13
		383.0	286.8	3.8	0.94	.01
DCH-002	Pad-1	32.00	68.00	36.00	0.54	0.35
Incl.	-75/135	41.00	57.50	16.50	0.91	0.64
		89.00	113.00	24.00	0.56	0.23
Incl.		92.00	98.00	6.00	0.99	0.39
		168.50	224.00	55.50	0.62	0.24
Incl.		185.00	194.00	9.00	2.00	0.60
		314.00	321.50	7.50	0.42	0.17
DCH-004	Pad-1	3.00	57.00	54.00	0.40	0.32
	-45/135	239.50	326.00	86.50	0.70	0.48
Incl.		266.00	281.00	15.00	1.11	0.60

Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
and		291.50	306.50	15.00	1.42	1.25
		418.50	507.00	88.50	0.84	0.19
Incl.		445.50	484.50	39.00	1.46	0.28
or		454.50	471.00	16.50	2.12	0.21
		528.00	588.50	60.50	0.38	0.02
DCH-006	Pad-1	10.00	14.50	4.50	0.59	0.52
	-55/90	23.50	76.00	52.50	0.65	0.52
Incl.		43.00	59.50	16.50	1.15	1.00
		80.50	118.00	37.50	0.38	0.23
Incl.		92.50	95.50	3.00	2.05	1.15
		137.50	158.50	21.00	0.44	0.26
		158.50	173.92	15.42	0.26	0.13
		374.70	379.80	5.10	0.29	0.25
DCH-008	Pad-1	8.50	14.50	6.00	0.45	0.35
	-75/90	28.00	55.00	27.00	0.64	0.42
Incl.		38.50	49.00	10.50	0.98	0.65
		64.00	86.50	22.50	0.25	0.16
		139.00	159.90	20.90	0.84	0.37
Incl.		155.50	159.90	4.40	2.14	0.32
		173.50	188.50	15.00	1.01	0.19
Incl.		182.50	185.50	3.00	1.99	0.14
DCH-009	Pad-1	44.00	83.00	39.00	0.51	0.29
Incl.	-59/43	69.50	77.00	7.50	1.17	0.54
		95.00	99.50	4.50	0.72	0.56
		110.00	132.50	22.50	0.61	0.43
Incl.		111.50	119.00	7.50	1.28	0.93
		167.00	176.00	9.00	0.51	0.30
DCH-011	Pad-1	16.00	50.50	34.50	0.41	0.29
	-45/43	61.00	74.50	13.50	0.62	0.43
		91.00	101.50	10.50	0.72	0.52
DCH-012	Pad-2A	158.50	163.00	4.50	0.44	0.09
	-56/229	175.00	271.50	96.50	0.93	0.19
Incl.		197.50	217.00	19.50	2.03	0.32
and		245.50	250.00	4.50	5.01	0.31
DCH-016	Pad-2A	98.50	101.50	3.00	0.29	0.22
	-65/229	141.00	153.00	12.00	0.55	0.43
Incl.		145.50	148.50	3.00	1.23	1.12
		187.00	199.50	12.50	0.17	0.15
		297.50	306.00	8.50	0.75	0.21

Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
DCH-019	Pad-2A	186.50	201.50	15.00	0.24	0.08
	-45/229	201.50	243.50	42.00	0.97	0.17
Incl.		222.50	230.00	7.50	3.31	0.10
DCH-022	Pad-2A	100.00	142.00	42.00	0.20	0.09
	-61/229	142.00	175.00	33.00	0.63	0.27
Incl.		142.00	149.50	7.50	1.32	0.68
		193.00	203.50	10.50	0.36	0.30
		241.00	253.00	12.00	0.37	0.29
		268.00	280.40	12.40	1.51	0.18
Incl.		269.50	275.80	6.30	2.48	0.27
DCH-023	Pad-3	81.20	87.00	5.80	0.46	0.30
	-50/135	160.00	166.00	6.00	0.35	0.08
DCH-024	Pad-2A	66.50	75.50	9.00	0.36	0.21
	-63/205	111.50	137.00	25.50	0.91	0.34
Incl.		113.00	122.00	9.00	1.98	0.78
		226.00	308.50	82.50	1.31	0.17
Incl.		263.50	295.20	31.70	2.19	0.11
DCH-025	Pad-2	158.90	175.20	16.30	1.43	0.35
Incl.	-45/225	168.50	175.20	6.70	2.62	0.29
DCH-026	Pad-2A	196.00	217.00	21.00	0.74	0.69
Incl.	-57.5/205	203.50	211.00	7.50	1.15	1.08
		248.00	266.50	18.50	0.44	0.19
DCH-027	Pad-2	151.50	169.00	17.50	0.18	0.07
	-52/225	169.00	186.10	17.10	1.06	0.33
Incl.		183.10	186.10	3.00	2.91	0.10
DCH-028	Pad-2	94.50	134.00	39.50	0.22	0.08
	-45/270	161.00	185.50	24.50	1.10	0.67
Incl.		167.50	171.80	4.30	2.54	1.29
DCH-029	Pad-2A	209.00	246.00	37.00	0.31	0.11
Incl.	-52/205	231.50	236.20	4.70	0.72	0.23
DCH-030	Pad-2	104.50	127.00	22.50	0.64	0.50
	-45/305	137.50	154.00	16.50	0.51	0.12
DCH-031	Pad-2A	61.90	71.00	9.10	0.20	0.09
	-70/205	134.80	152.00	17.20	0.16	0.04
		351.90	356.50	4.60	0.37	0.01

Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
DCH-032	Pad-1	55.00	84.20	29.20	0.21	0.13
	-45/190	100.50	111.30	10.80	0.18	0.06
		148.80	157.80	9.00	0.14	0.04
DCH-033	Pad 4	53.50	63.70	10.20	0.49	0.31
	-62.5/218	126.40	136.80	10.40	0.77	0.64
		291.40	307.90	16.50	0.18	0.11
		316.00	386.30	70.30	1.14	0.21
Incl.		335.70	347.70	12.00	3.16	0.30
DCH-034	Pad-1	44.00	63.50	19.50	0.22	0.12
	-60/190	63.50	158.45	94.95	0.85	0.43
Incl.		101.50	115.00	13.50	0.99	0.60
and		125.60	131.80	6.20	2.81	1.43
and		152.30	158.45	6.15	3.16	0.43
DCH-035	Pad 4	118.50	145.50	27.00	0.37	0.33
	-52.5/218	258.00	298.50	40.50	0.82	0.14
Incl.		270.50	273.30	2.80	4.26	0.20
DCH-036	Pad 4	88.50	179.50	91.00	0.76	0.47
Incl.	-45/218	133.00	161.50	28.50	1.42	0.70
		271.00	281.70	10.70	0.48	0.03
Incl.		271.00	272.50	1.50	1.84	0.03
DCH-039	Pad 2	121.90	125.00	3.10	0.94	0.56
	-75/140	153.50	169.00	15.50	0.82	0.69
DCH-040	Pad 2	110.40	129.50	19.10	0.17	0.02
	-45/140	193.00	206.50	13.50	0.35	0.32

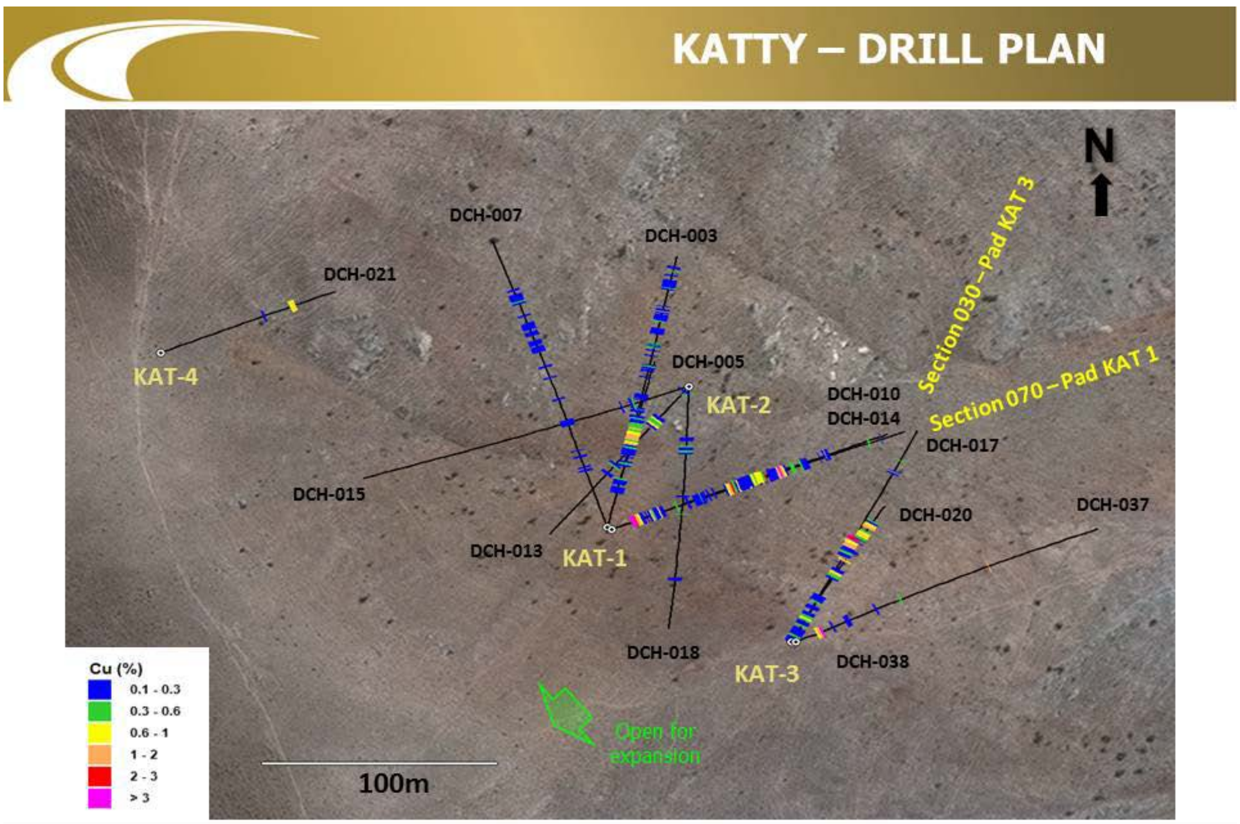
Katty Zone

Results from the first two holes at the Katty Zone were released on July 20, 2017. The results included hole DCH-005 which intersected 0.72% copper over 27.2 meters, including 1.16% copper over 9.0 meters.

Subsequent to the year end, the Company completed an additional 35 diamond drill holes, for a combined total of 11,200 meters consisting of 27 drill holes at the Adriana Zone totaling 8,700 meters, and 13 drill holes totalling 2,500 meters at the Katty Zone. The drilling at the Adriana Zone has defined a zone measuring at least 450 meters along trend, up to 150 meters wide, and over 300 meters deep. It is made up of copper oxide and sulphide mineralization that remains open along trend in both directions and at depth. High grade sulphide mineralization appears to be structurally hosted in the Diva

Fault which forms what is believed to be the western edge of the zone. This is interpreted to be the feeder zone and ranges in width from 2.0 meters to 7.5 meters with grades of 2% to 5% copper. Extending to the north-east from the feeder zone is mineralization that is more lithologically controlled, but higher grade sections appear to also have been structurally enhanced. The latter mineralization is a combination of both copper oxides and sulphides. Mineralization at the Katty zone appears to be dominantly hosted in breccias; however, there are indications that at least some of the mineralization is possibly lithologically controlled. Copper oxide mineralization is generally found near the surface and grades into lower grade copper sulphides at depth.

Below is a summary of the Katty Zone drill plan and diamond drilling results:



Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
DCH-003	Kat-1	213.80	223.90	10.10	0.24	0.03
	-67/13	248.00	255.00	7.00	0.38	0.01
		285.20	303.60	18.40	0.24	0.01
DCH-005	Kat-1	69.50	96.70	27.20	0.72	0.62
	-52/13	72.50	81.50	9.00	1.16	1.00
DCH-007	Kat-1	86.30	91.55	5.25	0.19	0.00
	-50/342	150.40	176.25	25.85	0.15	0.04

Hole Number	Pad # Dip/Azimuth (degrees)	From (meters)	To (meters)	Interval (meters)	Total Copper (%)	Acid Soluble Copper (%)
DCH-010	Kat-1	16.10	21.45	5.35	0.81	0.61
	-50/68	31.00	36.70	5.70	0.51	0.34
		82.30	125.80	43.50	0.70	0.54
Incl.		120.25	125.80	5.55	1.85	1.45
		130.00	142.80	12.80	0.25	0.19
DCH-013	Kat-2, -55/221	36.50	45.75	9.25	0.67	0.23
DCH-014	Kat-1	17.65	39.00	21.35	1.20	1.04
Incl.	-60/68	17.65	25.50	7.85	2.70	2.46
		123.50	141.70	18.20	0.50	0.15
DCH-015	Kat-2, -50/250		NSV			
DCH-017	Kat-3	0.00	12.05	12.05	0.22	0.12
	-50/28	73.30	91.80	18.50	1.30	1.02
Incl.		83.00	91.80	8.80	2.20	1.75
DCH-018	Kat-2, -50/180	46.60	53.50	6.90	0.27	0.07
DCH-020	Kat-3	17.50	33.15	15.65	0.30	0.22
	-60/28	70.40	83.70	13.30	0.45	0.29
		116.70	137.40	20.70	0.78	0.55
Incl.		128.80	134.50	5.70	1.17	0.82
DCH-021	Kat-4, -50/67	90.20	93.85	3.65	0.84	0.72
DCH-037	Kat-3	13.90	18.50	4.60	1.93	1.28
	-45/60					
DCH-038	Kat-3	4.10	14.00	9.90	0.41	0.32
	-90/60	19.70	26.00	6.30	0.29	0.14
		88.00	95.50	7.50	0.20	0.03

Plata Dorada, Peru

Background

The Plata Dorado property is located in the Department of Cuzco, Peru. Minquest Peru SAC ("Minquest") purchased 100% interest in the Hithza II, and IV claims in late 2012 for the sum of US$25,000. These claims covered the known showings in the area, and totaled 300 hectares. Shortly after acquisition, Minquest expanded the property by staking 3 additional claims, totalling 1,500 hectares. In December 2014, subsequent to announcing the Company's acquisition of Minquest, one additional claim was staked, totalling 300 hectares. The Company acquired the Plata Dorado Property when it acquired Minquest in November, 2014.

Plata Dorado now consists of 6 claims totalling 2,100 hectares (5,190 acres), and is located 158 kilometers east of the city of Cuzo, approximately 2.5 hours drive on paved highway. The property is underlain by Ordovician age, continental sediments of the Sandia Formation. These include argillites, sandstones and shales, which have undergone weak regional metamorphism to slates and schists. Immediately south-east of the property lies a large granitic intrusion which is Triassic-Permean in age.

Mineralization found to date consists of structurally hosted meso-thermal quartz sulphide veins. Two poly-metallic veins have been located which strike roughly north-south, dip to the east between 45 degrees and 85 degrees, and have exposed strike length of the veins varying from 150 meters to 400 meters, and widths ranging from 0.5 meters to 1.5 metres. The mineralization consists of quartz, massive pyrite, argentiferous galena, chalcopyrite, bornite, stibnite, and arsenopyrite. Limited surface sampling to date has returned metal values from 0.3% to 8.7% copper, 70 ppm to +1,500 ppm silver, and trace to 2.1 ppm gold.

Recent Exploration Activities and Results

The Company is in the process of acquiring permits and undergoing community consultation in regards to the Plata Dorada project.

<u>Red Beds, Peru</u>

Background

On January 26, 2015, the Company announced that it had entered into an option agreement pursuant to which the Company could acquire a 100% interest in 3 claims, totaling 2,500 hectares, which make up the Red Beds copper and silver project ("Red Beds") located in the Department of Cuzco, Peru. Under the terms of the option agreement, the Company agreed to pay a total of US$280,000 (US$80,000 paid) in staged cash payments. The property was later expanded to a total of 10 mineral concessions covering 5,300 hectares (13,097 acres) and is located approximately 150 kilometers south-east of the city of Cuzco, about 2.5 hours' drive on paved highway.

Recent Exploration Activities and Results

On January 10, 2017, the Company announced that it had decided to reduce its holdings in the Red Beds project, and as such, returned the claims under option to the vendor. The Company determined that permitting will take substantially longer than originally anticipated. Camino retained four claims, totaling 1,700 hectares, which it staked over the eastern end of the system. During fiscal 2017, the Company impaired the property value and placed the remaining claims on care and maintenance. See note 2 of the Company's July 31, 2017 audited annual consolidated financial statements for the Company's accounting policy for impairment.

<u>Lost Cabin, USA</u>

Background

On February 5, 2015, the Company announced that it had signed an option agreement with La Cuesta International Inc., pursuant to which the Company could acquire a 100% interest in the Lost Cabin Project, ("Lost Cabin") located in the state of Oregon.

Lost Cabin is located north east of Lakeview, Oregon, with excellent access. On surface, steeply dipping, shear-hosted quartz stockwork cut areas of widespread clay and propylitic alteration in volcanic rocks. The large alteration zone is on the SE margin of a mid-Tertiary stratovolcano and associated domes. Favorable structures show linear zones of clay±sericite±FeOx±quartz alteration along with elevated values in arsenic. Anomalous gold values were returned from isolated grab samples collected along the trend, including 38.0 gpt and 2.8 gpt gold at the western end of the zone, as well as 5.5 gpt and 1.9 gpt gold in the east. The geology at Lost Cabin has been interpreted to be the high-level expression of a low-to-intermediate sulfidation epithermal vein system. The exploration target at Lost Cabin will be the discovery of high-grade gold, silver (+base metals) mineralization at depth.

On August 9, 2016, the Company announced that it has received regulatory approval to drill at the Lost Cabin property. The Company has received notice from the US Bureau of Land Management ("BLM") that it has accepted the plan of operation, described in the Notice for Exploration Drilling, submitted September, 2015.

The terms of option agreement stated that Camino has the right to earn 100% interest in the Lost Cabin, subject to a 1.5% Net Smelter Returns royalty ("NSR"), by issuing 200,000 common shares of Camino (issued), and by making staged advanced NSR payments as follows:

Date for Option Payment	**Amount USD**
On the effective date of the option agreement (paid)	$1,500
12 months after effective date (paid)	$5,000
18 months after effective date (paid)	$5,000
24 months after effective date (paid)	$10,000
30 months after effective date (paid)	$10,000
36 months after effective date	$15,000
40 months after effective date	$20,000
48 months after effective date and every 6 months thereafter	$20,000
Total	$86,500

When the aggregate NSR payments, including advance and productions payments, exceeds US$5,000,000, the payable NRS will reduce from 1.5% to 0.75%. For each of the Properties, Camino has agreed to issue 200,000 common shares of Camino, within 4 months of the Effective Date of the agreements. The issued shares will be subject to a 4 month hold period beginning on the date of issuance.

Recent Exploration Activities and Results

In August 2016, the Company received regulatory approval to drill at the Lost Cabin project. The Company plans to conduct further exploration activities on the property when more resources become available.

Other Properties

The Company has no further exploration plans in Mexico. On May 19, 2015, the Company received proceeds of MXP $1,472,889 for sale of certain assets to a private Mexican Company. In addition, the Company also sold Rojo Resources, a wholly owned Mexican subsidiary to a private mining syndicate for total consideration of MXP $5,949,135 in monthly installments through December 22, 2015. These two transactions had a combined value of approximately $592,000.

CHANGE IN ACCOUNTING POLICY

Effective August 1, 2016, the functional currency of all of the Company's subsidiaries was assessed to be the Canadian dollar. This change in policy is accounted for prospectively, with all non-monetary assets and liabilities of these entities denominated in other currencies presented using the historical exchange rates applicable to the underlying transactions comprising such amounts, commencing with their July 31, 2016 balances. Monetary assets and liabilities, of both the parent company and its subsidiaries, continue to be translated at period end rates; however, all such unrealized amounts will now be reported in current operations.

This change is due to the following changes in the subsidiaries' conditions and transactions: i) the subsidiaries now utilize contractors instead of employees; ii) the Company incurs expenses on behalf of the subsidiaries that were previously incurred in the local currency; iii) the Company pays vendors and contractors of each subsidiary directly, iv) the subsidiaries are wholly dependent on the parent Company for financing; and v) the Company directly influences and determines the events and activities of the subsidiaries.

RESULTS OF OPERATIONS

Selected Annual Information

The following is selected annual financial information for the Company's three most recently completed years:

	2017 $	2016 $	2015 $
Total revenues	Nil	Nil	Nil
General exploration	Nil	22,268	75,121
Operating expenses	838,956	336,986	457,181
Gain (Loss) for the year	(1,905,409)	(327,892)	387,120
Gain (Loss) per share – basic & diluted	(0.06)	(0.01)	0.03
Total assets	9,255,080	2,794,703	2,633,095
Total liabilities	532,261	582,304	165,598

During the year ended July 31, 2017 ("2017"), the Company recognized a loss of $1,905,409 compared to a loss of $327,892 for the year ended July 31, 2016 ("2016"). Significant items contributing to the increased loss in 2017 are as follows:

- Consulting fees increased by $149,685 due to fees paid to Pretium for consulting services provided by the Company's President and CEO.
- Professional fees decreased by $40,846 due to the Company changing accounting firms and CFO as a cost saving initiative.
- Share-based compensation increased by $390,361 as a result of issuing more incentive stock options to directors and consultants as compensation for the Company's increased activity.
- The Company sold a fully depreciated vehicle in Peru, resulting in a $22,263 gain.
- Impairment of $1,039,622 results from the Company's decision to write down the Red Beds project to $1 due to returning the claims under option to the vendor, and limited exploration activities on the remaining four claims.

Selected Quarterly Financial Data

	7/31/17	4/30/17	1/31/17	10/31/16
Net income (loss) for the quarter	$(1,505,922)	$(268,557)	$(66,663)	$(64,267)
Loss per share - basic & diluted	(0.03)	(0.00)	(0.00)	(0.00)
Cash and cash equivalents	$4,255,681	$1,319,673	$924,975	$435,186

	7/31/16	4/30/16	1/31/16	10/31/15
Net income (loss) for the quarter	$73,700	$(163,456)	$(127,954)	$(110,182)
Loss per share - basic & diluted	0.00	(0.01)	(0.01)	(0.00)
Cash	$791,638	$577,709	$689,159	$917,278

During the three months ended July 31, 2017; the Company recognized a loss of $1,505,922, compared to income of $73,700 for the three months ended July 31, 2016.

Significant items making up the change for the three months ended July 31, 2017 as compared to the three months ended July 31, 2016 were as follows:

- Consulting fees increased by $101,383 due to fees paid to Pretium for consulting services provided by the Company's President and CEO.
- Share-based compensation increased by $279,052 as a result of issuing more incentive stock options to directors and consultants as compensation for the Company's increased activity.
- The Company sold a fully depreciated vehicle in Peru, resulting in a $22,263 gain.
- Impairment of $1,039,622 results from the Company's decision to write down the Red Beds project to $1 due to returning the claims under option to the vendor, and limited exploration activities on the remaining four claims.

FINANCIAL POSITION AND LIQUIDITY

A summary and discussion of our cash inflows and outflows for the year ended July 31, 2017 and 2016 are as follows:

Operating Activities

The Company spent $362,830 in operating activities for the year ended July 31, 2017, which is less than the $341,048 spent for the year ended July 31, 2016 primarily due to a an increase in consulting fees.

Investing Activities

The Company used $3,341,082 in investing activities for the year ended July 31, 2017 and used $334,724 for the year ended July 31, 2016. Expenditure on mineral interests increased to $3,311,628 for 2017 as compared to $634,948 for 2016 due to the commencement of a drill program at Los Chapitos. The Company's exploration expenses for 2016 were offset by proceeds received on the sale of subsidiaries of $300,761.

Financing activities

The Company received $7,167,955 in financing during the year ended July 31, 2017 compared to $524,100 for the year ended July 31, 2016 as a result of private placements.

Cash Resources and Going Concern

At July 31, 2017, the Company has working capital of $3,808,093 (2016 - $252,177), an accumulated deficit of $32,522,490 (2016 - $30,617,081) and has incurred losses since inception. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of mineral interest, secure and maintain title to properties and upon future profitable production. The Company may have to raise additional funds to continue operations and to complete its 2018 exploration programs. However, management is of the view that sufficient liquidity and value will be realized that such additional funding will likely not be required.

ADDITIONAL DISCLOSURE

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Related Party Transactions

Key management personnel compensation

Compensation	2017 $	2016 $
Management fees (i)	**6,000**	2,500
Consulting fees (ii)	**133,767**	-
Share-based payments (iii)	**383,918**	15,469
	523,685	17,969

(i) Management fees are compensation paid to an officer of the Company.
(ii) Fees paid to Pretium Resources Inc. for consulting services provided by the President of the Company.
(iii) Share-based payment is the fair value of options granted and vested.

Key management personnel include the Company's directors and officers.

Loan Payable

During the year ended July 31, 2016, the President of the Company entered into a loan agreement with the Company. Under the terms of the agreement, the President provided the Company with $500,000 as a demand loan with an annual interest rate of 3%. During the year, interest expense of $8,712 was incurred (2016 - $1,808). On March 7, 2017, the Company entered into a debt settlement agreement with the President. Pursuant to the agreement, the Company issued an aggregate of 1,500,000 common shares (the "Shares") at a deemed price of $0.34 per share, subject to a four month hold period. The amount of indebtedness settled by the Agreement was $510,500, representing the principal loan of $500,000, plus accrued interest of $10,500. The Company chose to settle the debt with shares in order to preserve cash for operations.

Subsequent Events

Subsequent to the year ended July 31, 2017, 9,625,100 warrants expiring September 11, 2017 were exercised at $0.25 for gross proceeds of $2,406,275.

In September 2017, the Company cancelled 25,000 unvested options that were exercisable at $0.31 and expiring March 2, 2017.

In September 2017, 12,500 options granted March 2, 2022 were exercised at $0.31 per share.

On October 17, 2017, the Company entered into a financial advisory services agreement at a rate of $5,000 per month plus applicable taxes for a term of 12 months.

Critical accounting estimates

The Company's accounting policies are described in detail in note 2 of the consolidated financial statements for the fiscal year ended July 31, 2017. The Company considers the following policies to be most critical in understanding its financial results:

Mineral property costs

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed, as incurred, to general mineral exploration. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets and classified as a non-current asset.

Mineral property acquisition costs are included in exploration and evaluation and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

New Accounting Standards and Recent Pronouncements

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after August 1, 2017 or later periods.

(i) Effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, Financial Instruments, Classification and Measurement, addresses classification and measurement of financial assets and will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

Otherwise, it is at fair value through profit and loss.

The Company plans to adopt these standards as soon as they become effective for the Company's. Adoption of this standard is expected to have minimal impact on the Company's financial statements.

FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to credit risk, liquidity risk and interest rate risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements (excluding cash) represents the Company's maximum exposure to credit risk

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

None of the financial assets of the Company are either past due or impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents.

(d) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned. As at the statement date, a 1% change in interest rates would not be material to the financial statements.

(e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, which comprises of share capital, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. From time to time the Company may issue additional equity to meet its capital requirements.

(f) Fair Value

The carrying value of the Company’s financial assets and liabilities approximate their fair value due to their short-term maturity or capacity of prompt liquidation.

(g) Foreign Currency Risk

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company operates projects in more than one country. As a result a portion of the Company’s cash, accounts receivable, accounts payable and accruals are denominated in U.S. Dollars, Mexican Pesos and Peruvian Soles and are therefore subject to fluctuation in exchange rates. As at July 31, 2017, a 1% change in the exchange rate between the Canadian and U.S. dollar or the Canadian dollar and Peruvian Soles and Mexican Pesos would not be material.

FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash, amounts receivable and accounts payable. They are designed as follows:

- Loans and receivables: cash and cash equivalents, amounts receivable
- Other financial liabilities: accounts payable

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company currently does not have any financial instruments recorded at fair value. The carrying value of cash, accounts receivable and accounts payable approximate fair value.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Corporation's general and administrative expenses and mineral property costs is provided in the Financial Statements and related notes that are available on the SEDAR web site www.sedar.com.

Outstanding Share Data

The authorized capital consists of an unlimited number of common shares without par value. As of the current date, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise Price $	Expiry Date
Common shares	52,917,380	-	-
Stock Options	27,000	1.00	January 24, 2018
	44,000	0.70	November 26, 2018
	1,400,000	0.20	April 20, 2020
	913,000	0.20	September 7, 2021
	650,000	0.31	March 2, 2022
	900,000	0.90	June 16, 2019
Warrants	5,554,389	1.35	May 30, 2019
Fully diluted	62,405,769		

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended July 31, 2016, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

RISKS AND UNCERTAINTIES

Our exploration programs may not result in a commercial mining operation.

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our mineral properties are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

We may not have sufficient funds to complete further exploration programs.

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

We have no revenue from operations and no ongoing mining operations of any kind.

We are a mineral exploration Company and have no revenues from operations and no ongoing mining operations of any kind. If our exploration programs successfully locate an economic ore body, we will be subject to additional risks associated with mining.

We will require additional funds to place the ore body into commercial production. Substantial expenditures will be required to establish ore reserves through drilling, develop metallurgical processes to extract the metals from the ore and construct the mining and processing facilities at any site chosen for mining. We do not know whether additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to postpone the development of, or sell, the property.

The majority of our property interests are not located in developed areas and as a result may not be served by appropriate road access, water and power supply and other support infrastructure. These items are often needed for development of a commercial mine. If we cannot procure or develop roads, water, power and other infrastructure at a reasonable cost, it may not be economic to develop properties, where our exploration has otherwise been successful, into a commercial mining operation.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property’s return on capital.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labour disruptions, flooding, explosions, rockbursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labour. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labour standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

Our profitability and long-term viability will depend, in large part, on the market price of gold. The market price for gold is volatile and is affected by numerous factors beyond our control, including global or regional consumption patterns, supply of, and demand for gold, speculative activities, expectations for inflation and political and economic conditions. We cannot predict the effect of these factors on gold prices.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our properties will not be challenged. We own, lease or have under option, unpatented and patented mining claims, mineral claims or concessions which constitute our property holdings. The ownership and validity, or title, of unpatented mining claims and concessions are often uncertain and may be contested. We also may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties or mining concessions may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property will cause us to lose our rights to explore and, if warranted, develop that property. This could result in our not being compensated for our prior expenditures relating to the property.

Land reclamation requirements for our exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

Political or economic instability or unexpected regulatory change in the countries where our properties are located could adversely affect our business.

Certain of our properties are located in countries, provinces and states more likely to be subject to political and economic instability, or unexpected legislative change, than is usually the case in certain other countries, provinces and states. Our mineral exploration activities could be adversely affected by political instability and violence; war and civil disturbance; expropriation or nationalization; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights; any of which may adversely affect our business in that country.

We may be adversely affected by fluctuations in foreign exchange rates.

We maintain our accounts in Canadian dollars. Any appreciation in the Peruvian currency against the Canadian dollar will increase our costs of carrying out such exploration activities.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or personnel, we will not be able to grow at the rate we desire or at all.

Potential conflicts of interest

Certain of our directors and officers are directors or officers of other natural resource or mining-related companies. These associations may give rise to conflicts of interest from time to time. In particular, our directors who also serve as directors of other companies in the same industry may be presented with business opportunities which are made available to such competing companies and not to us. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material, adverse effect on our financial position.