



ROYAL ROAD
MINERALS

ROYAL ROAD MINERALS LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Introduction

The following is Management Discussion & Analysis (“MD&A”) of the consolidated financial condition and results of operations of Royal Road Minerals Limited (the “Company” or “RRM”) which constitutes management’s review of the factors that affected the Company’s financial and operating performance for the year ended December 31, 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the fiscal years ended December 31, 2017 and 2016, together with the notes thereto. This MD&A contains references to Canadian dollars, United States dollars, British pounds sterling and Colombian Pesos. All amounts are presented in Canadian dollars, unless otherwise indicated, and United States dollars and British pounds sterling are referred to as “US\$” and “£”, respectively. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at April 30, 2018, unless otherwise indicated.

The Company’s consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

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

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

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements; as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect management’s expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “intend”, “will”, “project”, “could”, “believe”, “predict”, “potential”, “should” or the negative of these terms or other similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A and should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) the supply and demand for, deliveries of, and the level and volatility of prices of gold and other precious metals; (iii) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company’s projects; (iv) the ability to meet social and environmental standards and expectations; (v) the availability

of financing for the Company's development of its properties on reasonable terms; (vi) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (vii) the ability to attract and retain skilled staff; (viii) exploration and development timetables; and (ix) capital expenditure and operating cost estimates.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity and, particularly, gold prices, access to skilled mining personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors contained in this MD&A. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.

Description of Business

The Company is a mineral exploration and development company specializing in highly prospective but under prospected regions. The Company is now focused on the exploration and development of its Colombian and Nicaraguan properties.

The Company was incorporated under the Companies (Jersey) Law 1991 on May 6, 2010 as "Tigris Resources Limited". On April 10, 2015, the Company changed its name to "Royal Road Minerals Limited" and amended its share capital structure by converting all of its par value shares to no par value shares and consolidating its then outstanding shares on the basis of two pre-consolidation shares for every one post-consolidation share. On April 15, 2015, the Company completed a business combination transaction (the "Arrangement") by way of an arrangement under the Business Corporations Act (Alberta), whereby the Company acquired its wholly-owned subsidiary Royal Road Minerals Canada Limited, a corporation resulting from the amalgamation of Kirkcaldy Capital Corp. and Royal Road Minerals Canada Limited. As a result of the Arrangement, on April 20, 2015, the ordinary shares of the Company were listed and commenced trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "RZR". The Company's registered and head office is located at 4 Wharf Street, Suite 30, St. Helier, Jersey, Channel Islands, JE2 3NR.

Corporate and Operational achievements

Corporate update

Caza Gold Corp. Take Over Bid

On January 20, 2017, the Company made a formal offer (the "Offer") to purchase all of the outstanding common shares of Caza Gold Corp. ("Caza") on the basis of 0.16 of an ordinary share of RRM for each common share of Caza.

On February 28, 2017, the Company announced that it has been successful in its bid to acquire Caza. A total of 134,886,372 common shares of Caza, representing approximately 90% of Caza's issued and outstanding common shares were deposited.

The Company extended the deposit period for the mandatory 10-day extension period required under applicable securities laws, to enable those shareholders who have not yet tendered their shares, to deposit their Caza common shares. The period was extended, until March 13, 2017.

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Discussion dated: April 30, 2018

In March 2017, the Company completed the compulsory acquisition of all of the remaining outstanding common shares of Caza, pursuant to the notice of compulsory acquisition made under Section 300 of the Business Corporations Act (British Columbia), and owned 100% of the outstanding Common Shares. The acquisition was accounted for as if the Company acquired 100% of the shares and recognized a non-controlling interest put financial instrument representing the amount of gross consideration payable to the non-controlling shareholders. Consideration was measured at fair value of the Company's shares, being 24,054,258 shares at \$0.09 per share and total transaction cost as the transaction is an asset purchase.

The fair value of the consideration is as follows:

Issuance of 24,054,258 RRM shares	\$2,164,883
Transaction costs	177,138
	<hr/>
	\$2,342,021

The allocation of purchase price is as follows:

Cash	\$156,911
Receivables and prepaids	9,338
Equipment	1,253
Mineral property interests	3,572,794
Accounts payable	(477,813)
Promissory note	(708,401)
Non-controlling interest	(212,061)
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	\$2,342,021

On July 6, 2017, the Company announced that it has completed an internal reorganization to facilitate the disposal of non-operational assets in Mexico and streamline its corporate structure. Through this reorganization, ownership of the Company's key operating subsidiary in Nicaragua was transferred by Caza to RRM, and its non-operational assets in Mexico were disposed of through the sale of an aggregate of 134,886,372 Caza common shares to an arm's length purchaser, Generic Capital Corporation (the "Purchaser"), in exchange for cash proceeds of \$80,000 for net assets of \$227,410 resulting in a gain on disposition of \$307,410. The sale is expected to improve the organizational efficiency of the Company, but is otherwise insignificant to its current business operations.

Private placements

On February 17, 2017, the Company closed a private placement offering (the "Offering"), pursuant to which the Company issued an aggregate of 36,000,000 units (each a "Unit") of the Company, with each Unit comprised of one ordinary share and one-half of one ordinary share purchase warrant (each whole warrant, a "Warrant"), at a price of C\$0.10 per Unit for total aggregate gross proceeds of \$3.6 million. Each Warrant entitles the holder thereof to acquire one ordinary share of the Company at a price \$0.20 until February 17, 2019.

In connection with the private placement, the Company paid a total cash commission to the agents of \$205,037 and issued 2,160,000 broker warrants (the "Broker Warrants") pursuant to the private placement. Each Broker Warrant entitles the holder to acquire one ordinary share of the Company at a price of \$0.10 until February 17, 2019. All securities issued under the Offering will be subject to a statutory four month hold period ending on June 18, 2017 pursuant to applicable securities legislation.

On April 19, 2017, the Company closed a non-brokered strategic private placement offering (the "Offering") with Polygon Mining Opportunity Master Fund ("Polygon") and the Company's Chairman, Mr. Peter Mullens. The Offering was comprised of 7,500,000 units (each a "Unit") of the Company at a purchase price of \$0.10 per Unit for aggregate gross proceeds \$750,000. Each Unit is comprised of one ordinary share of the Company and one-half of one ordinary share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one ordinary share of the Company at a price \$0.20 for a period of 24 months from the date of issuance.

On February 15, 2018, the Company closed two financing transactions (collectively, the "Financing Transactions"), pursuant to which the Company issued an aggregate of 33,620,487 ordinary shares of the Company at a price of \$0.16 per ordinary share for aggregate gross proceeds of \$5,379,278. The Company also announces that it purchased an additional 5% of the equity of Minerales Camino Real S.A.S. ("RRM Colombia"), increasing its ownership interest to 97% of the total equity of RRM Colombia.

Pursuant to the Financing Transactions, the Company issued, on a private placement basis, 10,178,437 ordinary Shares to Barrick Gold Corporation ("Barrick") in completion of a strategic investment in the Company by Barrick, and 23,442,050 ordinary shares pursuant to a brokered offering led by Pollitt & Co. Inc., as lead agent, together with Sprott Capital Partners, a division of Sprott Private Wealth LP, as agents (the "Agents") to the Company. The Company also issued 2,000,000 Ordinary Shares to the seller in consideration for the 5% additional equity interest in RRM Colombia acquired by the Company.

In connection with the Financing Transactions, the Company (i) paid a total cash commission equal to 6.0% of the aggregate gross proceeds, and (ii) issued broker warrants (the "Broker Warrants") equal to 6.0% of the ordinary shares sold, to the Agents. Each Broker Warrant entitles the holder to acquire one ordinary share at a price of \$0.16 until February 15, 2020.

Stock option grants

On February 17, 2017, the Company granted incentive stock options to purchase an aggregate of 4,360,000 ordinary shares of the Company to certain officers, employees and consultants of the Company pursuant to the Company's stock option plan. The options are exercisable until February 17, 2019 at a price of \$0.15 per share and shall vest as to 30% of the options, 60 days from the grant date; as to a further 30% of the options, 90 days from the grant date; and as to the remainder of the options, 120 days from the grant date.

On April 27, 2017, the Company granted incentive stock options to purchase an aggregate of 200,000 ordinary shares of the Company to a director of the Company pursuant to the Company's stock option plan. The options are exercisable until April 27, 2019 at a price of \$0.15 per share and shall vest as to 30% of the options, 60 days from the grant date; as to a further 30% of the options, 90 days from the grant date; and as to the remainder of the options, 120 days from the grant date.

On August 15, 2017, the Company granted incentive stock options to purchase an aggregate of 700,000 ordinary shares of the Company to a director of the Company pursuant to the Company's stock option plan. The options are exercisable until August 15, 2020 at a price of \$0.15 per share and shall vest as to 30% of the options, 60 days from the grant date; as to a further 30% of the options, 90 days from the grant date; and as to the remainder of the options, 120 days from the grant date.

On September 27, 2017, the Company granted incentive stock options to purchase an aggregate of 1,200,000 ordinary shares of the Company to senior employees of the Company pursuant to the Company's stock option plan. The options are exercisable until September 27, 2020 at a price of \$0.15 per share and shall vest as to 30% of the options, 60 days from the grant date; as to a further 30% of the options, 90 days from the grant date; and as to the remainder of the options, 120 days from the grant date.

Appointment and resignation of directors and officers

On February 21, 2017, the Company announced the appointment of Daniel De Narvaez as a director of the Company. Daniel is based in Bogotá, Colombia and that Iván Devía assumed the role of Vice-President - Operations overseeing the Company's activities in Colombia and elsewhere throughout Latin America.

On March 17, 2017, the Company announced that Donald R. Njegovan resigned from the Board of Directors.

On July 24, 2017, the Company announced the appointment of Jonathan Victor Hill to the Company's Board of Directors.

On September 28, 2017, the Company announced the appointment of Oscar Sepulveda to the position of Vice President Exploration and Jenny Arias to the position of Vice President Responsible Development.

Other

On March 20, 2018, the Company announced that, through its wholly owned Nicaraguan subsidiary, Nicaza S.A., it has entered into a collaborative agreement ("The Collaboration Agreement") with Nicaraguan environmental Non-Governmental Organization, the Centro de Entendimiento con la Naturaleza ("The CEN").

The Collaboration Agreement provides for Royal Road and the CEN to work together to design and implement inclusive strategies involving different stakeholders in the Company's areas of influence and allowing the parties to put into practice, effective methods to protect biodiversity, water sources and soil. Under the terms of the Collaboration Agreement, the CEN will provide socio-environmental advice and Royal Road will ensure best-practices and favourable conditions for the execution of jointly-developed socio-environmental strategies.

Mineral properties

Exploration update

Set forth in this section is a description of RRM's material mineral projects. All scientific and technical data contained in this MD&A have been reviewed and approved by Dr. Tim Coughlin, BSc (Geology), MSc (Exploration and Mining), PhD (Structural Geology), FAusIMM, President and Chief Executive Officer of RRM and a qualified person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI43-101"). The scientific and technical information relating to the La Golondrina Project set forth in this MD&A has been derived from, and in some instances is an extract from, or is based on the report entitled "*NI43-101 Technical Report, Royal Road Minerals, La Golondrina Project, La Llanada-Sotomayor Gold District, Nariño, Colombia*" (the "**Technical Report**"), dated December 2015 and prepared for RRM by Dr. Dennis Arne, P.Geo (BC), MAIG, RPGeo, FAAG and Thomas Branch MSc., FGS. Dr Arne is a "Qualified Person" in accordance with NI43-101. Dr. Arne, and Mr. Branch are each independent of RRM. Portions of this section are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report, which is available for review on SEDAR at www.sedar.com. The technical information contained herein has been updated with current information where applicable.

(a) La Golondrina Project

The La Golondrina Project is an operating underground gold mine and is located 5 km north-west of the municipality of Los Andes-Sotomayor within the La Llanada gold district, Nariño Department, in southwestern Colombia. It is situated at approximately 2200 masl within the Andean Cordillera, a region characterized by steep topography. Royal Road Minerals executed an option agreement over the La Golondrina project on the 7th October 2015. Mineralization at La Golondrina Project is characterized by sub-horizontal gold-bearing quartz-carbonate veins of up to 1 meter wide hosted in tonalite and adjacent hornfelsed sediments. The Company completed an initial saw-cut channel sampling and mapping program at La Golondrina. A total of 60 saw-cut channel samples were collected with results averaging 31.1 gram per tonne gold (highest grade 122.9 gram per tonne gold) over highly variable but average vein widths of 0.3 meters (thickest vein 0.97 meters). In some cases, sampled veins form a part of vein zones that extend from and into the floor and roof of underground development and over vertical widths exceeding 2 meters. Where estimated, weighted average gold grades across vein zones returned 11.8 grams per tonne gold over 2 meters and 21.7 grams per tonne over 2.2 meters. Where vein and vein zones extended into hornfels they generally disaggregate into stockwork veinlet zones which sampling reveals can return weighted average grades of 43.0 grams per tonne gold over 0.7 meters and 12.9 gram per tonne gold over 1.25 meters.

In late 2016, the Company conducted the first ever drilling program at La Golondrina. Drill holes intersected subhorizontal stacked quartz-carbonate veins and veinlet systems hosted in very strongly altered (biotite, amphibole, silica) tonalite and hornfelsed sediments with corresponding ground magnetic and induced polarization anomalies. Higher grade gold intersections (e.g. GOL-16-02; 47.8 grams per tonne gold over 0.25m), with elevated bismuth and copper are associated with quartz-carbonate pyrrhotite veins up to 30cm wide and lower grade, broad intercepts (e.g. GOL-16-02; 24.9 meters at 1.0 grams per tonne, 14.3 meters at 1.0 grams per tonne and entire drill hole, 195.2 meters at 0.4 grams per tonne gold; GOL-16-03; 8.3 meters at 1.1 grams per tonne) are generally related with stacked subhorizontal zones of decimeter-scale veins and shallow-dipping interconnecting veinlets and stringer zones.

Managements view is that the drilling results at La Golondrina indicate potential for a bulk tonnage as opposed to an underground target at La Golondrina and extend mineralized potential beyond the confines of the current mining license. Managements view is that any potential bulk-tonnage project at La Golondrina will be problematic given the topography and environment. Consequently, on November 14, 2017, the Company terminated its option agreement over La Golondrina.

(b) La Redención Project

Property Description and Location

The La Redención Project is a small underground mine development project located approximately 450 meters north of the license boundary of the La Golondrina gold project in the Nariño Province of southern Colombia. The La Redención gold project is held under a 25-hectare mining license. The project has not yet been drill-tested and exposure in underground development reveals that the mineralized system has the same geological characteristics as the La Golondrina gold project. In July 2017, the Environmental permit for La Redención was awarded meaning drilling applications may now be submitted for approval.

Mineralization

Where exposed, gold mineralization at La Redención is most similar to the “vein-zone” style of gold mineralization at La Golondrina and comprises three or more shallow-dipping parallel veins with subsidiary linking vein structures hosted in tonalite and also in hornfels and extending over widths that exceed one meter and, in some cases, dip off into the floor or roof of the underground development. Saw-cut channel sampling across vein zones have returned from 2 to 57 grams per tonne gold and sampling across stockwork veinlet zones have returned weighted average grades of 3.5 gram per tonne gold over 2 meters.

Exploration Work to Date and Plans for the Project

Exploration work at La Redención to-date has comprised underground saw-cut channel sampling only. Drilling is required to determine whether the project represents an underground high-grade target or a bulk-tonnage target similar to that at La Golondrina. La Redención is located at an elevation of some 600 meters below that of La Golondrina and is consequently in a more topographically favorable setting for a potential bulk-tonnage project. However, the mining license area is small and requires the acquisition of surrounding exploration concession contracts for it to present a viable target of significant size potential. The Company is actively seeking the acquisition of surrounding license areas.

(c) Regional Exploration, La Llanada Goldfield and Nariño Region

The Company has filed applications for concession contracts on a first-come, first-served basis covering prospective areas amounting to approximately 350 thousand Hectares in the Western Cordillera of Nariño Province, Colombia. The area under application extends down to the Ecuador border, sits upstream from the Magui-Payan and Barboacoas alluvial goldfields and surrounds many known small workings but is relatively unknown from a geological and economic perspective due to previous security and access issues. In July 2017 the Agencia Nacional de Minería (ANM), the licensing authority in Colombia, commenced the process of converting the Company's Nariño applications into Concession Contracts. A Concession Contract is a license to operate; contracts are signed initially for a term of 30-years and cover the Exploration, Construction and Exploitation stages of mine development.

On December 18, 2017, the Company announced that it had entered into a definitive agreement (the “Agreement”) with Economías Sociales del Común (“Ecomún”) in support of its gold and copper exploration projects in the Nariño Province in southern Colombia. The Agreement provides for the support of Royal Road's long-term mineral exploration and development plans in Nariño Province, aligns Royal Road with the Colombian Government's post-conflict aspirations, as contemplated by the British Embassy's Business and Peace Initiative (to which Royal Road is a signatory), and demands an exemplary level of social engagement and environmental stewardship from both parties.

Ecomún is a joint social and economic organization, which was formed by Presidential Decree on May 29, 2017, with funding and other support provided by the Colombian government and with the aim of collective and individual economic and social reincorporation of the members of the Revolutionary Armed Forces of Colombia People's

Army (FARC-EP), in accordance with the final peace agreement, between the Government of Colombia and the FARC-EP on November 24, 2016. This Agreement is the first of its kind since the 2016 peace agreement.

The agreement includes the following key terms:

- Social and environmental programs conducted under the Agreement will be managed by a Management Committee comprised of representatives from Royal Road, Ecomún, local communities and nominated independents.
- Community Liaison Committees will be established and will report to the Management Committee.
- The parties will collaborate to formalize currently illegal mining operations in the area of influence with a specific focus on eradicating the use of mercury and assisting operators in meeting their operational, environmental and social obligations under the law.
- Ecomún will provide Royal Road with collaboration and assistance with obtaining the social license necessary for it to carry out exploration and potential future development of mineral projects in Nariño Province.
- Ecomún will work decisively in order to obtain the support of community leaders in the area of influence.
- Ecomún will assist Royal Road in working with local ethnic and non-ethnic communities to enable it to gain the support for its operations and to implement its social and community programs.
- The activities of the parties are to be carried out in accordance with Ecomún's corporate purpose of achieving the reincorporation of members of the FARC-EP into civilian life.
- In all aspects pertaining to environmental and social risk management, Royal Road will follow performance standards that are in line with the Equator Principles.
- In exchange for Ecomún's performance of its obligations under the proposed definitive agreement, Royal Road will grant to Ecomún a net smelter royalty equal to one percent (1%) of the gold and copper produced from its mining projects in Nariño Province. This royalty is entirely for the benefit of local communities and both parties and the Management Committee will collaborate to ensure fully transparent distribution of funds.
- Additionally, Royal Road will grant a net smelter royalty (the "NSR") equal to one percent (1%) of the gold and copper produced from its mining projects in Nariño Province on a case by case basis, directly to community managed institutions.
- The royalty is non-transferable up to the point of commercial production of the projects, provided that if Ecomún or community managed institutions wish to transfer or alienate the NSR prior to such time, Ecomún or community managed institutions must offer to transfer the NSR to Royal Road's subsidiary, which will then have the exclusive right to purchase the NSR for a sum in Colombian pesos equivalent to ten million United States of America dollars (US \$10,000,000) per 1% of the NSR, with proceeds destined entirely for the benefit of local communities and both parties and the Management Committee collaborating to ensure a fully transparent distribution of funds.

Since executing the Agreement, Royal Road and Ecomún have established the Management Committee, commenced health-safety and technical training of ex-combatants, commenced social engagement with local communities and initiated reconnaissance field work in Nariño.

(d) Nicaragua

On September 6, 2017, Royal Road executed a strategic alliance agreement with Hemco S.A. ("Hemco"), forming a strategic alliance (the "Alliance") for mineral exploration in Nicaragua.

The objective of the Alliance is to identify and explore gold and copper targets in Nicaragua in the areas covered by Royal Road's and Hemco's respective specified existing licenses, which together cover large regions of highly prospective and under-explored land areas and include in excess of 35 currently identified prospect areas. The Alliance will bring together two experienced project generation and exploration teams with track records of success.

Royal Road and Hemco will share their collective experience and databases, co-fund early stage exploration programs, and jointly seek to advance their current projects and pursue new projects in Nicaragua. In particular, the Alliance is initially focused on defining reserves in excess of two million ounces of gold (or gold equivalent) recoverable.

Hemco is a subsidiary of Grupo Mineros S.A. (MINEROS:CB), Colombia's largest gold producer, and a holder of licenses covering an area approximately 200,000 hectares in the historic mining region of northeastern Nicaragua known as the "Golden Triangle".

Under the terms of the Alliance, Hemco and Royal Road will jointly fund on an equal basis, initial project generation and exploration of targets. At any time after the commencement of permitted drilling of any project area, parties may elect to define such project area as a "designated project area" (a "DPA") following which, the applicable rights and licenses for such DPA will be held by a newly formed joint venture company, with Royal Road and Hemco each initially holding an equal 50% proportionate equity interest thereof. All project costs of any such joint venture will be co-funded by the parties based on their respective ownership of the joint venture, which will be subject to dilution in the event funds are not contributed as required. If a party's interest in a joint venture is diluted below 15% of the total interest, such party's interest in the joint venture will automatically convert to a 1.5% net smelter return royalty. The terms of the Alliance also restrict the parties from transferring their respective interests in the relevant licenses covered by the Alliance, except in accordance with the agreement between the parties, which includes reciprocal rights of first refusal with respect to transfers to third parties. Royal Road will be the operator under the Alliance and any joint ventures formed thereunder, and certain decisions of the operator will be subject to the approval of a management committee consisting of two representatives of each of Hemco and Royal Road.

The initial program approved under the Alliance consists of drilling at Royal Road's Piedra Iman project, prospect inventory mapping and airborne magnetics and radiometrics in Hemco's "Golden Triangle" licensed areas, followed by the drilling of two deep holes to test the porphyry copper and gold potential of Royal Road's Los Andes project. Royal Road's management estimates that the budget for this program will be approximately \$1.8 million funded on a 50%/50% basis by the parties.

(e) Piedra Iman Property (Nicaragua)

The Piedra Iman project was acquired by Royal Road through its acquisition of Caza Gold in March 2017. The project covers a large alteration zone identifying an intrusion-related iron oxide copper – gold (IOCG) system. Title has been received for 7,947.27 Ha.

The Piedra Imán project was initially explored in the early 1970's by Noranda Inc. Noranda's work included the drilling of 17 shallow diamond drill holes and the development of one exploration adit. Noranda's drilling and underground sampling intersected significant widths of copper mineralization including DDH-851 (36.6 meters at 1.13% Copper), DDH-876 (14.8 meters at 1.65% Copper), DDH-846 (14.3 meters at 1.42% Copper) and DDH-818 (9.1 meters at 1.50% Copper). Samples were only sporadically assayed for gold, but drilling results included one interval of 3.6 meters at 6.3 g/t gold. These results were provided in analogue format, are historic in nature and have not been verified by a qualified person. Historic maps indicate that the exploration adit intersected gold and copper along its strike length with gold only mineralization dominating the southwestern end of the adit and combined copper and gold mineralization dominating the northeastern extent of the adit. There are no reports available to verify the style of adit sampling or to confirm the underground grades labelled on historic maps. Noranda abandoned the project due to the onset of hostilities related with the Sandinista revolution in 1974.

CAZA completed detailed mapping at Piedra Iman, along with reconnaissance exploration within the peripheral regions.

On the June 21, 2017, Royal Road released results from saw cut channel sampling at Piedra Iman. A total of 9 channels were cut and sampled on 1 meter intervals over a total strike distance of approximately 400m. Best results were:

Channel 4 – 20 meters at 1.10% copper and 5 meters at 0.95% Copper
Channel 8 – 8 meters at 1.05% copper and 1.13 grams per tonne gold
Channel 7 – 5 meters at 0.28% copper and 2.50 grams per tonne gold
Channel 2 – 9 meters at 0.70% copper
Channel 5 – 6 meters at 0.87% copper

Highest individual results for copper and gold were 1 meter at 2.69% and 1 meter at 7.5 grams per tonne respectively.

In November 2017, Royal Road commenced a 9-hole reverse circulation drilling program at Piedra Iman. Drilling mostly targeted the copper intersections returned by Noranda in the 1970's. Results included best intersections of PI-006; 8 meters at 9.3 grams per tonne gold and 31 meters at 0.5% copper, PI-008; 103 meters at 0.36% copper and PI-007, 40 meters at 0.38% copper. Gold and copper mineralization are hosted in the same magmatic breccia but are spatially distinct, with gold generally occurring structurally below and possibly adjacent to the copper mineralization. The drilling results failed to confirm the copper intersections reported by Noranda in the early 1970's but imply that a possibly separate gold mineralized breccia body is located subjacent to the copper mineralization and may correspond with gold grades intersected by Noranda in the exploration adit. Reopening of the exploration adit is proposed to test this concept.

(f) Los Andes Project (Nicaragua)

The Los Andes project was acquired by Royal Road through its acquisition of Caza Gold in March 2017.

The Los Andes district is located 90 km from Managua in the Department of Boaco. Access is via a major paved highway from Managua. The property consists of a number of gold and copper-gold targets occurring around a well-defined caldera structure. The targets are typically high sulfidation epithermal and porphyry in style, with some low-sulfidation epithermal style mineralization around the peripheries. The entire Los Andes property covers 15,603.13 Ha of titled claims, 100% controlled by the Company under five mineral concessions: Los Andes, Los Andes I and Los Andes Union in the center of the trend (total of 5338.23 Ha); El Pochote in the south (8674.90 Ha); and El Espejo in the north (1590.00 Ha).

Caza completed detailed mapping and sampling at Los Andes over an area of 10 square kilometers. A series of andesitic volcanic rocks exhibit features typical of high sulfidation system, including silicification, argillic and advanced argillic alteration. Surface mapping and sampling outlined a large area along a 2.5 km trend with anomalous gold, silver, copper and trace elements, coincident with the alteration. Gold values up to 1.8 g/t Au along with silver values up to 197 g/t Ag had been collected in rock samples within this area of alteration. In April 2015, a high resolution helicopter-borne magnetic and radiometric survey covering some 55 square kilometers over the main Los Andes area was completed. The survey totalled approximately 550 line kilometers at 100 meter spacing flown at a 50 meter altitude. Review of the initial results had identified a number of anomalous areas and had enhanced the structural model of the Los Andes trend. A magnetic high was centered over the Quisaltepe area, interpreted as a large, buried intrusive body. At least four other magnetic highs, likely intrusive bodies, associated with alteration and surface geochemical anomalies, were identified as follow-up prospects. Two short exploration drilling campaigns were conducted in 2015. In October 2015, five shallow diamond drill holes were completed for a total of 1,161 meters. The drill holes intersected strong argillic and silica alteration with anomalous values of silver and copper.

QZP-003 was located in the Quisaltepe area and was the only drill hole collared into an outcropping porphyry body and associated pyrite alteration. The last 130 meters of QZP-003 intersecting intensely altered and pyritic breccia anomalous in copper and which is interpreted as a "pyrite-shell", related to potential underlying porphyry-style copper (\pm gold) mineralization. Managements view is that the principal target at Los Andes is a deep copper or copper and gold porphyry body located beneath Cerro Quisaltepe and at the southern margin of the Los Andes caldera. Testing of this body will require further geological modelling and then deep drilling.

The Company is currently seeking local permissions to access and drill-test the property with a drilling program planned for the third quarter of 2018.

(g) Golden Triangle (Nicaragua)

The Golden Triangle is a well-known historic mining region located in northeastern Nicaragua. The area is host to three historic mines, Santa Rita–Rosita (Skarn Cu-Au), La Luz–Siuna (Skarn Au-Cu) and Bonanza (Low Sulfidation Epithermal). Since 1900 the district has produced in excess of 8 million ounces of gold from mainly epithermal vein systems, porphyry deposits and skarns.

Hemco own and operate the Bonanza gold mine and manage an innovative artisanal toll-treatment program from two bespoke plants. Mining at Bonanza commenced in the 1880's. Colombia's Mineros SA acquired Hemco and commenced management of the project in 2013. Today the mine is operated as a combined underground and open-pit operation.

Access is via light plane (Cessna Grand Caravan) from the capital Managua or via variably sealed and poor quality unsealed road. Flight time is approximately one hour.

The Golden Triangle area is hosted in calc-alkaline volcanic and intrusive rocks of reportedly island arc affinity and late Cretaceous Paleocene age. The arc was apparently accreted to the Chortis Block of southern Honduras during the Paleocene. It is generally accepted that porphyry and skarn style copper and gold mineralization was emplaced during the early Paleocene and before the younger low-sulfidation vein systems.

Hemco have identified more than 30 prospect areas from within their license areas and in excess of 44 gold mineralized low-sulfidation vein systems. Hemco's current focus is on defining brownfield resources from low-sulfidation vein systems within a deliverable distance of the Bonanza mine site. The Strategic Alliances focus is on identifying gold deposits in excess of 2 million ounces gold. Initial emphasis will be on porphyry-skarn style systems of-which at-least two (the El Turco breccia, trench results: 21.0m @ 2.2g/t and 16.0m @ 4.3g/t gold and the Bambanita skarn up to 68g/t gold in rock chips) are already known.

The first stage of the exploration program at Piedra Iman involves regional reconnaissance, flying the entire region with airborne magnetics and radiometrics to help identify targets in more remote regions of the license package, define geometries and extents of known systems and locate possible deeper bodies underlying epithermal vein systems.

Business Objectives

The Company is focused on the exploration and development of its precious metals mining projects in Colombia and Nicaragua.

Milestones

The most significant events or milestones that must occur for the near term business objectives of the Company to be accomplished are to continue with its exploration activities in Colombia and Nicaragua.

While the Company believes that it has the skills and resources necessary to accomplish its stated business objectives, participation in the exploration for and development of mineral properties has a number of inherent risks. See the risk factors described under "Risk Factors" herein for factors that may impact the timing and success of the Company's planned activities.

Trends

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

Outlook

The Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that the Company's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on the La Golondrina and La Redención projects in Colombia.

Contractual Obligations

As at December 31, 2017, the Company had no material contractual obligations.

Off-Balance-Sheet Arrangements

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

Overall Performance

The Company's current activities consist solely of mineral exploration. No revenue is currently generated from operational activities.

Selected Annual and Quarterly Information

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

Selected Statement of Financial Position Data

	As at December 31, 2017 (\$)	As at December 31, 2016 (\$)	As at December 31, 2015 (\$)
Total assets	5,377,948	928,920	1,112,534
Total non-current liabilities	nil	nil	nil
Distributions and cash dividends declared	nil	nil	nil

	Year ended December 31, 2017 (\$)	Year ended December 31, 2016 (\$)	Year ended December 31, 2015 (\$)
Revenue	nil	nil	nil
Net loss attributable to owners of the parent	2,339,580	1,769,408	2,151,598
Net loss per share (basic and diluted)	0.02	0.03	0.06

- The net loss for the year ended December 31, 2017 consisted primarily of (i) exploration and evaluation expenditures of \$1,072,325, (ii) general and administrative expenses of \$425,014; (iii) professional fees of \$269,873; (iv) stock based compensation of \$407,506 and (v) employee salaries and benefits of \$297,943 offset by the gain on sale of Caza.
- The net loss for the year ended December 31, 2016 consisted primarily of (i) exploration and evaluation expenditures of \$822,866, (ii) general and administrative expenses of \$264,655; (iii) professional fees of \$278,326; and (iv) employee salaries and benefits of \$218,489.
- The net loss for the year ended December 31, 2015 consisted primarily of (i) loss from discontinued operation of \$546,857 which is mainly composed of gain on sale of \$59,077 and exploration and evaluation expenditures of \$508,772, (ii) Kirkcaldy takeover costs of \$224,811; (iii) finance costs of \$514,038; (iv) professional fees of \$385,486 and (v) employee salaries and benefits of \$262,822.

Summary of Quarterly Results

Three Months Ended	Revenue (\$)	Profit or (Loss)		Total Assets (\$)
		Total (\$)	Basic and Diluted Income (Loss) Per Share (\$)	
December 31, 2017 ⁽¹⁾	nil	(458,582)	(0.00)	5,377,948
September 30, 2017 ⁽²⁾	nil	(507,035)	(0.00)	5,699,754
June 30, 2017 ⁽³⁾	nil	(599,042)	(0.00)	6,320,043
March 31, 2017 ⁽⁴⁾	nil	(774,921)	(0.01)	6,759,027
December 31, 2016 ⁽⁵⁾	nil	(721,730)	(0.00)	928,920
September 30, 2016 ⁽⁶⁾	nil	(476,512)	(0.01)	1,410,162
June 30, 2016 ⁽⁷⁾	nil	(339,893)	(0.01)	1,834,402
March 31, 2016 ⁽⁸⁾	nil	(231,273)	(0.01)	1,000,124

⁽¹⁾ Net loss of \$458,582 consisted primarily of: exploration and evaluation expenditures of \$453,929, professional fees of \$68,740 and employee salaries and benefits of \$55,412 offset by gain on the sale of Caza of \$386,784. All other expenses related to general working capital purposes.

⁽²⁾ Net loss of \$507,035 consisted primarily of: exploration and evaluation expenditures of \$117,287, professional fees of \$92,097, employee salaries and benefits of \$89,166 and stock based compensation of \$138,735. All other expenses related to general working capital purposes.

⁽³⁾ Net loss of \$599,042 consisted primarily of: exploration and evaluation expenditures of \$291,731, professional fees of \$80,516, employee salaries and benefits of \$105,461 and stock based compensation of \$152,767 offset by gain on the sale of Caza of \$94,700. All other expenses related to general working capital purposes.

⁽⁴⁾ Net loss of \$774,921 consisted primarily of: exploration and evaluation expenditures of \$209,378, professional fees of \$28,520, employee salaries and benefits of \$47,904 and stock based compensation of \$139,851. All other expenses related to general working capital purposes.

⁽⁵⁾ Net loss of \$721,730 consisted primarily of: exploration and evaluation expenditures of \$444,231, professional fees of \$124,629, employee salaries and benefits of \$56,183 and stock based compensation of \$9,407. All other expenses related to general working capital purposes.

⁽⁶⁾ Net loss of \$476,512 consisted primarily of: exploration and evaluation expenditures of \$206,460, professional fees of \$44,143, employee salaries and benefits of \$31,091 and stock based compensation of \$116,274. All other expenses related to general working capital purposes.

⁽⁷⁾ Net loss of \$339,893 consisted primarily of: exploration and evaluation expenditures of \$94,219, professional fees of \$41,118 and employee salaries and benefits of \$104,645. All other expenses related to general working capital purposes.

⁽⁸⁾ Net loss of \$231,273 consisted primarily of: exploration and evaluation expenditures of \$77,956, professional fees of \$26,151 and employee salaries and benefits of \$50,561. All other expenses related to general working capital purposes.

Results of Operations

For the year ended December 31, 2017, compared with the year ended December 31, 2016:

For the year ended December 31, 2017, the Company's net loss was \$2,339,580 (\$0.02 per share), compared to a net loss of \$1,769,408 (\$0.03 per share) for the year ended December 31, 2016. The increase in net loss of \$570,172 is a result of the following:

- Exploration and evaluation expenditures of \$1,072,325 for the year ended December 31, 2017 compared to \$822,866 for the previous year. These expenditures relate to exploration on the mineral properties in Colombia and Nicaragua.
- Loss from discontinued operations for the year ended December 31, 2017 was \$37,434. Discontinued operations represent the operations of Caza Gold Corp, which was acquired and sold during the 2017 year. The main component of discontinued operation related to general and administrative expenses incurred.
- During the year ended December 31, 2017, employee salaries and benefits totalled \$297,943 compared to \$218,489 for the prior year. The increase during the year resulted from additional compensation paid to employees.
- Professional fees had a marginal decrease over the prior year to \$269,873 during the year ended December 31, 2017 from \$278,326 for the year ended December 31, 2016. Professional fees primarily related to services provided to the Company on a contractual basis in connection with the Chief Financial Officer role as well as consulting fees related to the La Golondrina Project, audit fees, and legal fees. Lower professional fees during the current period resulted from the Company requiring less contracted services compared to the prior period.
- During the year ended December 31, 2017, general and administrative totalled \$425,014 compared to \$264,655 for the prior year. This increase is resulted from costs associated with being a reporting issuer and necessary investor relation activities as well as increased travel expenditures.
- During the year ended December 31, 2017, stock based compensation increased by \$257,834 compared to the year ended December 31, 2016. Stock based compensation expense will vary from period to period depending upon the number of options granted and vested during the period and the fair value of the options calculated as at the grant date. During the year ended December 31, 2017, the Company granted 6,460,000 stock options compared to 2,500,000 stock options during the year ended December 31, 2016.

For the three months ended December 31, 2017, compared with the three months ended December 31, 2016:

For the three months ended December 31, 2017, the Company's net loss was \$458,582 (\$0.00 per share), compared to a net loss of \$721,730 (\$0.01 per share) for the three months ended December 31, 2016. The decrease in net loss of \$263,148 is a result of the following:

- Exploration and evaluation expenditure of \$453,929 for the three months ended December 31, 2017 compared to \$444,231 for the previous year. These expenditures relate to exploration on the mineral properties in Colombia and Nicaragua.
- During the three months ended December 31, 2017, there was stock based compensation recovery of (\$23,847) due to the cancellation of stock options compared to stock based compensation expense of \$9,407 for the three months ended December 31, 2016. Stock based compensation expense will vary from

period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

- Professional fees decreased by \$55,889 during the three months ended December 31, 2017 compared to the three months ended December 31, 2016. Professional fees primarily related to services provided to the Company on a contractual basis in connection with the Chief Financial Officer role as well as consulting fees related to the La Golondrina Project, audit fees, and legal fees. Lower professional fees during the current period resulted from the Company requiring less contracted services compared to the prior period.

The Company's total assets at December 31, 2017 were \$5,377,948 (December 31, 2017 - \$928,920) against total liabilities of \$208,028 (December 31, 2016 - \$237,664). The increase in total assets of \$4,449,028 resulted from mineral property interest acquired from Caza Gold and cash received from the sale of units for the private placements closed during the year offset by cash spend on exploration and operating costs.

Liquidity and Financial Position

At December 31, 2017, the Company had cash and cash equivalents of \$1,554,737 compared to \$703,859 at December 31, 2016. The increase in cash and cash equivalents of \$850,878 from December 31, 2016 resulted from cash outflow in operating activities of \$2,654,186. Operating activities were affected by non-cash adjustments of depreciation of \$12,260, stock based compensation of \$407,506, write-off of exploration and evaluation assets of \$132,125 and gain on sale of Caza Gold of \$307,410. The net change in non-cash working capital balances of \$468,057 because of an increase in prepaid expenses and other assets of \$135,597 and an increase in accounts payable and accrued liabilities of \$332,460. Cash outflow in operating activities from discontinued operations amounted to \$91,030.

Financing activities generated cash inflow of \$3,561,736 from the net proceeds of the private placements, proceeds from the sale of Caza Gold, cash received from the acquisition of Caza Gold and offset by the repayment of a promissory note payable.

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

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company is compliant with TSXV Policy 2.5.

During fiscal 2018, the Company's corporate head office costs are estimated to average less than \$200,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude exploration and evaluation expenditures. The cost of acquisition and work commitments on the new acquisitions cannot be accurately estimated.

The Company's cash and cash equivalents at December 31, 2017 of approximately \$1.5 million and the \$5.4 million of additional financing raised from private placements subsequent to December 31, 2017 is anticipated to be sufficient to fund its 2018 exploration budget of approximately \$4.2 million, payment of accounts payable and accrued liabilities of \$208,028 and the estimated general overheads of \$800,000, for fiscal 2018. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. See "Risk Factors" below and "Cautionary Note Regarding Forward-Looking Statements" above.

Transactions with Related Parties

In accordance with IAS 24, key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The key management personnel of the Company are the directors and officers of the Company.

No individual party had overall control of the Company during the periods being presented. Transactions between the Company and its subsidiary have been eliminated on consolidation.

The amounts due to related parties of the Company at the reporting date, as disclosed below, arose due to transactions entered into with the related parties in the ordinary course of business.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel for the periods presented were as follows:

	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Salaries	289,537	191,000
Stock based compensation	245,052	74,287
Total salaries and benefits ⁽¹⁾	534,589	265,287

The Company paid certain of its key management personnel through companies associated with certain executive officers and directors as described below.

The Company retained Mrs. Cindy Davis, a senior employee of Marrelli Support Services Inc. ("Marrelli Support"), as its Chief Financial Officer. During the year ended December 31, 2017, the Company incurred professional fees of \$22,749 (2016 - \$22,500). As at December 31, 2017, Marrelli Support was owed \$1,445.

Insiders of the Company purchased 600,000 and 1,000,000 Units of the private placement completed on February 17, 2017 and April 19, 2017, respectively.

Capital Risk Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its properties. The capital of the Company consists of share capital, warrants, contributed surplus and accumulated deficit, which at December 31, 2017 totalled \$5,169,920 (2016 - \$691,256). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Financial Instruments Risk

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

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 monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at December 31, 2017 and 2016, no amounts were held in short-term deposit certificates.

Foreign exchange risk

As at December 31, 2017, the cash and cash equivalents was \$1,554,737 (2016 - \$703,859). The Company's cash and cash equivalents are denominated in the following currencies:

	As at December 31, 2017 \$	As at December 31, 2016 \$
Denominated in Canadian dollars	776,448	688,026
Denominated in US dollars	264,091	4,744
Denominated in British pound	50,589	8,487
Denominated in Colombian pesos	24,019	2,602
Denominated in Nicaraguan Cordoba	439,590	nil
	1,554,737	703,859

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral exploration properties. The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of gold. The Company monitors commodity prices to determine the appropriate course of actions to be taken.

Share Capital

As at the date of this MD&A, the Company had 173,631,696 issued and outstanding common shares.

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

Options	Expiry Date	Exercise Price
2,500,000	June 20, 2018	\$0.15
4,160,000	February 17, 2019	\$0.15
200,000	April 27, 2019	\$0.15
700,000	August 15, 2020	\$0.15
1,200,000	September 27, 2020	\$0.15
8,760,000		

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

Warrants	Expiry Date	Exercise Price
83,587	October 14, 2018	\$0.09
18,000,000	February 17, 2019	\$0.20
2,010,000	February 17, 2019	\$0.10
3,750,000	April 19, 2019	\$0.20
2,017,230	February 15, 2020	\$0.16
25,860,817		

Risk Factors

Exploration, development and mining of precious metals involve numerous inherent risks as a result of the nature of the business, global economic trends as well as local social, political, environmental and economic conditions in Jersey and Colombia, its areas of operation. As such, the Company is subject to several financial and operational risks that could have a significant impact on its ability to generate any future profitability and its levels of operating cash flows.

The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel, but is subject to a number of limitations in managing risk resulting from its early stage of development and the jurisdiction of its exploration activities.

Below is a summary of the principal risks and related uncertainties facing the Company. Such risk factors could have a material adverse effect on the Company's business, financial condition and results of operations or the trading price of the Ordinary Shares.

The Company

The Company has a limited history of operations, and is in the early stage of development. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company does not intend to pay any dividends in the near future. The Company has limited financial resources and has no source of operating cash flow. There can be no assurance that the Company will be

able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Company's mineral properties.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of Ordinary Shares or securities convertible into Ordinary Shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of Ordinary Shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Ordinary Shares or securities convertible into Ordinary Shares or the effect, if any, that future issues and sales of the Ordinary Shares will have on the price of the Ordinary Shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Ordinary Shares or securities convertible into Ordinary Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Exploration, Development and Operations

Exploration and development of mineral deposits involves a high degree of risk which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing properties. Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: deposit size, grade, unusual or unexpected geological formations and metallurgy; proximity to infrastructure; metal prices which are highly cyclical; environmental factors; unforeseen technical difficulties; work interruptions; and government regulations, including regulations relating to permitting, prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration and mine development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis. Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Absence of Mineral Resources

As of the date of this MD&A, no inferred and indicated resources have been defined on the Company's properties. There is no certainty that further exploration and development will result in the definition of any inferred or indicated mineral resources, or any measured resources, or probable or proven reserves on the Company's properties.

Joint Ventures

During the year ended December 31, 2017, the Company entered into a joint venture with Hemco. In the future, the Company may enter into other joint venture and/or option agreements. Any failure of a joint venture partner to meet its obligations to the Company or third parties, or any disputes with respect to the parties' respective rights and obligations could have a material adverse effect on such joint ventures. In addition the Company may be unable to

exert influence over strategic decisions made in respect of properties that are the subject of such joint venture and/or option agreements.

Global Markets and Economic Conditions

Global financial conditions have been characterized by volatility and many financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. The fallout has resulted in the following conditions, which may have an impact on the Company: (i) volatility in commodity prices and foreign exchange rates; (ii) tightening of credit markets characterized by stricter covenant requirements for borrowers and higher interest rate fluctuations; (iii) increased counterparty risk; and (iv) volatility in the prices of publicly traded entities. Although capital markets appear to be stabilizing, a climate of volatility, illiquidity, wide credit spreads, a lack of price transparency, credit losses and tight credit conditions persists. These factors have impacted the ability of the Company to obtain equity or debt financing on terms favourable to the Company in order to fund its operations. These factors, as well as other related factors, may cause further decreases in asset values, which may result in additional impairment losses. If these increased levels of volatility and market turmoil continue, the Company's operations could continue to be adversely impacted and the trading price of its securities may be adversely affected.

Currency fluctuations

The Company is subject to currency risks. The Company's functional currency is the Canadian dollar, which is exposed to fluctuations against other currencies. For much of the year ended December 31, 2017, the Company had operations located in Colombia, Nicaragua and Peru and was exposed to fluctuations in the Colombian peso, Nicaraguan Cordoba. The Company maintains its principal office in Jersey, Channel Islands, maintains cash accounts in U.S. dollars, British Pounds and Canadian dollars and has monetary assets and liabilities in U.S. and Canadian dollars, British Pounds, Colombian pesos and Nicaraguan Cordoba. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken to mitigate transactional volatility in British Pounds, Pesos, the U.S. dollar or the Canadian dollar at this time. The Company may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

No Assurance of Title to Assets

Establishing title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. There is no guarantee of title to the property. The property may be subject to adverse land claims, prior unregistered agreements or transfers and title may be affected by undetected defects. The validity of the Company's mining claims and access rights can be uncertain and may be contested. Although the Company is satisfied it has taken reasonable measures to acquire the rights needed to undertake its operations and activities as currently conducted, some risk exists that some titles and access rights may be defective. No assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be materially adverse to the Company. While the Company has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed, which could result in costly litigation or disruption of operations. From time to time, a land possessor may dispute the Company's surface access rights, and as a result the Company may be barred from its legal occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant. The Company expects that it will be able to resolve these issues, however, there can be no assurance that this will be the case. Future property acquisition, relocation benefits, legal and related costs may be material. There is no guarantee, however, that local residents will support the Company's operations or projects.

Commodity Prices

Factors beyond the control of the Company may affect the marketability and price of any minerals discovered, if any. Resource prices have fluctuated widely in recent years and are affected by numerous factors beyond the control of the Company, including international, economic and political trends, expectations of inflation, currency exchange

fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks due to high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company. The Company will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards due to the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Volatile Stock Price

The stock price of the Company is expected to be highly volatile and will be drastically affected by exploration and test results. The Company cannot predict the results of its exploration activities expected to take place in the future. The results of these tests will inevitably affect the Company's decisions related to further exploration and/or production at any of the properties that the Company may explore in the future and will likely trigger major changes in the trading price of the Ordinary Shares.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral claims and leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect future operations of the Company.

Regulatory Matters

The mining industry operates under legislation and regulation governing such matters as land tenure, prices, royalties, environmental protection controls, income, the exportation of copper, gold and other metals, as well as other matters. The industry is also subject to regulation by governments in such matters as the awarding or acquisition of exploration and production rights or other interests, the imposition of specific exploration obligations, environmental protection controls, control over the development and abandonment of properties (including restrictions on production) and possibly expropriation or cancellation of contract rights. Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by

governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the mining industry could increase the Company's costs and have a Material Adverse Effect on the Company. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. The regulatory approval process can involve stakeholder consultation, environmental impact assessments and public hearings, among other things. In addition, regulatory approvals may be subject to conditions including security deposit obligations and other commitments. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by the Company and increased costs, all of which could have a material adverse effect on the Company.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by local and federal government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Regulatory and Permitting Delays

A number of approvals, licenses and permits are required for various aspects of exploration and mine development. The Company is uncertain if all necessary permits will be maintained or obtained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities or any other projects with which the Company becomes involved. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of production, exploration or development, or material fines, penalties or other liabilities. It remains uncertain if the Company's existing permits may be affected in the future or if the Company will have difficulties in obtaining all necessary permits that it requires for its proposed or existing mining activities.

In order to maintain mining concessions in good standing under Colombian mining law, concession holders must advance their projects efficiently, including by obtaining the necessary permits prior to stipulated deadlines. The Company has implemented plans to obtain all necessary permits prior to the relevant deadlines. While the Company is confident in its ability to meet all required deadlines or milestones in order to maintain its concessions in good standing, there is risk that the relevant Colombian permitting and licensing authorities will not respond in a timely manner. If these deadlines are not met, the Company believes that extensions to deadlines for obtaining the required approvals and permits could be negotiated so that the concessions would remain in good standing. However, there is no guarantee that the Company will be able to obtain the approvals and permits as planned or, if unable to meet such deadlines, that negotiations for an extension will be successful in order to maintain its concessions in good standing. If the concessions were to expire, this could have a material adverse impact on the Company and its ability to control and develop its Colombian project.

Reliance on Key Personnel

The Company is dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a Material Adverse Effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel and

there can be no assurance that the Company will be able to attract and retain such personnel. Finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult. It may be difficult to hire qualified people, or to retain service providers, with the requisite expertise who are situated in or willing to work in the relevant local jurisdiction at reasonable rates. If qualified people and services cannot be obtained in the relevant local jurisdiction, the Company may need to obtain those services from people located outside such jurisdiction, which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations.

Liquidity Risk

The Company might incur additional debt in order to fund its exploration and development activities, which would continue to reduce its financial flexibility and could have a Material Adverse Effect on the Company's business, financial condition or results of operation. The Company's ability to meet any debt obligations and reduce its level of indebtedness depends on future performance. General economic conditions, copper, gold and other metal prices and financial, business and other factors affect the Company's operations and future performance. Many of these factors are beyond the Company's control. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable quantities of precious metals. The exploration process can take many years and is subject to factors that are beyond the Company's control. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for exploration investment, the Company's track record and the experience and caliber of its management. The Company cannot assure investors that it will be able to generate sufficient cash flow to pay the interest on any debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Factors that will affect its ability to raise cash through an offering of securities or a refinancing of its debt include financial market conditions, the value of its assets and performance at the time the Company needs capital. The Company cannot assure investors that it will have sufficient funds to make such payments. If the Company does not have sufficient funds and is otherwise unable to negotiate renewals of its borrowings or arrange new financing, it might have to sell significant assets. Any such sale could have a Material Adverse Effect on the Company's business, operations and financial results.

Political and Economic Risk in Colombia

The economics of the mining and extraction of precious metals are affected by many factors, including the costs of mining and processing operations, variations of grade of ore discovered or mined, fluctuations in metal prices, foreign exchange rates and the prices of goods and services, applicable laws and regulations, including regulations relating to royalties, allowable production and importing and exporting goods and services. Depending on the price of minerals, the Company may determine that it is neither profitable nor advisable to acquire or develop properties, or to continue mining activities. The Company's mineral properties are located in Colombia. Economic and political conditions in this country could adversely affect the business activities of the Company. These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective. In the past, Colombia has experienced political and regulatory instability. Changes to existing governmental regulations may affect mineral exploration and mining activities, or the Company's ability to generate cash flow and profits from operations. Associated risks include, but are not limited to terrorism, corruption, extreme fluctuations in currency exchange rates and high rates of inflation.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions, and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's future profitability.

The Company's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Enforcement of Judgments

It may be difficult if not impossible to enforce judgments obtained in Jersey or Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against substantially all of the Company's assets which are located outside Jersey and Canada.

Dividends

To date, the Company has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on the Ordinary Shares will be made by the board of directors of the Company on the basis of the Company's earnings, financial requirements and other conditions.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. Presently the Company and/or its directors and officers are not aware of, or subject to, any legal proceedings.

Risk Management

Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company will strive to manage such risks to the extent possible and practical.

Insurance coverage

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. In particular, the Company does not have coverage for certain environmental losses or certain types of earthquake damage. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's cash flows, results of operation and financial condition. In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Disclosure of Internal Controls

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

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

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Changes in Accounting Policies

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") was issued in May 2014, and establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. At January 1, 2017, the Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

Future accounting pronouncements

The accounting pronouncements detailed in this note have been issued but is not yet effective. The Company has not early adopted this standard and is currently evaluating the impact, if any, these standards might have on its consolidated financial statements.

(i) IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. The Company has evaluated the adoption of IFRS 9 to have no material effect on its consolidated financial statements and related disclosures.

(ii) IFRS 16 - Leases ("IFRS 16") was issued by the IASB in January 2016. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. IFRS 16 is effective for periods beginning on or after January 1, 2019. Earlier application is permitted. Management is currently assessing the impact on the Company.

Critical Accounting Judgments and Key Sources of Estimates Uncertainty

Critical judgments in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in Note 2 of the consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies are as follows:

Functional currency

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. The functional currency of the parent is the Canadian dollar. The Company has determined the functional currency of its Colombian, Nicaraguan and Peruvian subsidiaries to be the Colombian peso, Nicaraguan cordoba and Peruvian sol.

Business combinations

Determination of whether a group of assets acquired and liabilities assumed constitute the acquisition of a business or an asset may require the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 Business Combinations.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Additional Disclosure for Venture Issuers without Significant Revenue

General and administrative

Detail	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Investor relations and regulatory	151,524	79,484
Travel and accommodation	142,788	98,594
Office expenses	88,165	60,530
Depreciation	12,260	11,912
Insurance	30,277	14,135
Total	425,014	264,655

Exploration and evaluation expenditures

Colombia	Year ended December 31, 2016 \$	Year ended December 31, 2016 \$
Claims	17,211	396,287
Drilling	130,188	177,381
Consulting services	105,645	74,732
Lab analysis	13,757	26,475
Site security and logistic support	1,317	6,239
Field supplies and consumables	13,380	10,144
Administration	146,508	102,727
Wages	168,401	28,881
Travel costs	134,983	396,287
	731,390	822,866

Nicaragua	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Consulting services	16,047	nil
Field supplies and consumables	12,166	nil
Administration	139,176	nil
Wages	54,170	nil
Travel costs	19,961	nil
Taxes	46,013	nil
	287,533	nil

Peru	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Mining concessions	51,357	nil
Field supplies and consumables	789	nil
Administration	19	nil
Travel costs	1,237	nil
	53,402	nil