



## **Management's Discussion and Analysis**

**Three and Nine Months Ended September 30, 2017**

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## Table of Contents

Overview .....	1
Corporate Developments .....	2
Exploration and Development .....	3
Mexico .....	3
Rossland, BC Canada .....	8
Exploration Outlook .....	8
Financial .....	9
Summary of Quarterly Results.....	9
Results of Operations .....	9
Exploration Expenditures.....	10
Liquidity and Capital Resources .....	10
Related Party Transactions.....	11
Financial Instruments.....	12
Risks and Uncertainties .....	13
Capital Management .....	14
Management’s Responsibility for the Financial Statements .....	15
Cautionary Statement on Forward-Looking Information .....	15
Additional Disclosure for Venture Issuers without Significant Revenue.....	16
Outlook .....	16
Share Capital.....	16
Private Placements .....	16
Property Option Share Issuances .....	17
Debt Settlement .....	17
Warrants .....	17
Stock Options .....	18
Outstanding Share Information.....	18

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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*The following is management's discussion and analysis ("MD&A") of Vangold Mining Corp. ("Vangold" or the "Company"), prepared as of November 28, 2017. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Vangold as of September 30, 2017 and for the three and nine months then ended. This MD&A should be read together with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 and the audited consolidated financial statements for the year ended December 31, 2016 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise indicated.*

*This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "projects," "potential," "interprets," "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.*

*The Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 have been prepared in accordance with IAS 34 – Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.*

*Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

### **Overview**

Vangold is in the business of acquiring mineralized resources located in the Mexican Silver Belt. The Company's focus is to explore, develop and exploit proven resources by environmentally conscious mining techniques. The Company currently holds exploration and development properties near and around Guanajuato, Mexico.

The Company was incorporated under the *Business Corporations Act* of British Columbia and is a publically trading company on the TSX Venture Exchange ("TSX-V") under the symbol "VAN". In May 2017, the Company changed its name to Vangold Mining Corp. The Company's head office, as well as registered and records offices, are located at Suite 1400 – 1111 West Georgia Street, Vancouver, BC, V6E 4M3.

Vangold has offices in Guanajuato, Mexico for the purpose of staffing mine manager, geological and technical personnel. The Company is focusing on bringing the historical El Pinguico Mine back in to production and continue exploration on its other mineral concessions located in the State of Guanajuato.

The Company has two 100% wholly owned subsidiaries: Obras Mineras El Pinguico SA de CV which was incorporated on March 7, 2017, and CanMex Silver SA de CV, which was incorporated on January 31, 2017. Obras Mineras El Pinguico SA de CV holds the El Pinguico, El Carmen Patito I and II mineral concessions located within 15 km of the City of Guanajuato, Mx. CanMex Silver SA de CV holds the Analy I and II, located 25 km from the San Miguel de Allende, El Ruso, Camilla and Ysabela mineral concessions. See *Exploration and Development* below.

The disclosure of historical, scientific or technical information regarding the properties described in this MD&A has been reviewed on behalf of the Company and approved by Hernan Dorado Smith. Mr. Dorado is a director of the Company and is a Qualified Person (QP) by the Mining

## Vangold Mining Corp.

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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and Metallurgical Society of America ("MMSA") as defined in National Instrument 43-101 ("NI 43-101").

### Corporate Developments

- In November 2017, the Company closed the first tranche of a private placement and issued 7,744,000 units at a price of \$0.07 per unit for gross proceeds of \$542,080. See *Share Capital* below.
- In October 2017, the Company and its subsidiary Obras Mineras El Pinguico SA de CV entered into a Surface Land Purchase Agreement with two private landowners to lease, with an option to purchase in two years, surface land including the El Pinguico property, providing significant land area for mining infrastructure, development and construction. See *Exploration and Development* below.
- In June 2017, Mr. Kurt Bordian was appointed chief financial officer of the Company. Mr. Bordian is a designated Chartered Professional Accountant in Canada, and holds a Bachelor of Commerce (Honours) Degree from the University of Manitoba. Mr. Bordian replaces Mr. Sandy Huntingford, who resigned his position as chief financial officer.
- In May 2017, the Company entered into an agreement to acquire seven mining claims strategically situated within the high grade Mexican Silver Belt and all within close proximity to the Company's operations office in Guanajuato, Mexico. Under the terms of the agreement, the Company will pay consideration of \$10,000 and issue 3,125,000 common shares. The acquisition received TSX-V approval on June 27, 2017. See *Exploration and Development* below.
- In May 2017, the Company changed its name to "Vangold Mining Corp." to better reflect its ongoing strategy of growing its asset base and developing the El Pinguico mine in Guanajuato, Mexico.
- In April 2017, the Company acquired a 100% interest in the El Pinguico property, located in Guanajuato State, Mexico. Under the terms of the agreement, the Company paid consideration of US\$100,000 and issued 5,000,000 common shares. The Company also issued 662,500 common shares as a finder's fee. See *Exploration and Development* below.
- In April 2017, Mr. Mark Ashley, Mr. Hernan Dorado Smith and Mr. Cameron Scott King were appointed to the Board of Directors. Mr. King was also appointed President and CEO of the Company. Mr. Dal Brynelsen resigned as President and CEO but remains a Director and Chairman of the board. Mr. Keith Anderson Jr. did not stand for re-nomination as a director of the Company.
- In January, March and April 2017, the Company closed a private placement and issued 10,000,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$500,000. See *Share Capital* below.
- In April 2017, the Company completed a private placement and issued 5,555,556 units at a price of \$0.09 per unit for gross proceeds of \$500,000. See *Share Capital* below.
- In March 2017, the Company settled \$253,911 in short-term debt and accounts payable through the issuance of 3,627,299 common shares at a price of \$0.07 per share. See *Share Capital* below.

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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- In March 2017, the Company completed a private placement and issued 7,265,000 units at a price of \$0.07 per unit for gross proceeds of \$508,550. See *Share Capital* below.

## **Exploration and Development**

### ***Mexico***

#### *El Pinguico Mine Project*

In April 2017, the Company acquired a 100% interest in the El Pinguico property, located in Guanajuato State, Mexico. Under the terms of the agreement, the Company paid consideration of US\$100,000 and issued 5,000,000 common shares. The Company also issued 662,500 common shares as a finder's fee. The vendors retain a 4% net smelter return ("NSR") and a 15% net profits interest ("NPI") on minerals recovered from an existing stockpile of mineralized rock and a 3% NSR and 5% NPI on all in situ ore. The Company may repurchase 1% (one-third) of the 3% NSR on all newly mined mineralization.

In October 2017, the Company and Obras Mineras Mineras El Pinguico SA de CV executed a Surface Land Purchase Agreement with two private landowners for 302 hectares. The surface land includes the Company's El Pinguico property and provides significant land area for mining infrastructure, development and construction. Under the terms of the agreement, the Company has the option to purchase the property in two years and is committed to pay two annual instalments of \$4,500 with a final payment of \$65,000 on the third anniversary.

Upon receiving the notarized Surface Land Purchase Agreement, the Company submitted the Use of Land application with the Minister of Mines in Guanajuato, on September 21, 2017. On October 20, 2017, the Company received final approval from the Guanajuato municipality. The Use of Land permit provides Vangold with all the rights and entitlement for initiating necessary infrastructure work and preparing the surface stockpile for production. These activities include: road construction, building structures, hauling, and waste dumping activities. The Company's immediate plans are to:

- Upgrade the existing roads inside Vangold's 302 hectare perimeter, to maximize productivity and to ensure a future lower extraction cost.
- Excavate and haul the surface stockpile to a local mill, to generate early cashflow.
- Fulfill requirements of the Environmental Assessment (MIA), application submission by December 2017.
- Construct the ordinance and explosives magazines.
- Fulfill requirements for obtaining explosive permits when submitted to Guanajuato State and Mexican Federal Mining authorities.

The historic El Pinguico mine property consists of two mining concessions covering 71 hectares, located approximately 9 km southeast of Guanajuato in Guanajuato State, Mexico and contains the high-grade El Pinguico-Carmen silver-gold mine. The property has a historic mine with two access adits: the El Carmen Adit and the Sangria del Carmen Adit. The historic El Pinguico Mine is on strike with the Veta Madre (Mother Lode), and is located approximately 4.5 km from Endeavor Silver's El Cubo mine and 2 km from Mina Las Torres owned by Fresnillo PLC.

From 1906 to 1913 the El Pinguico/Carmen mine produced 250 tonnes per day from shrinkage mining techniques, liberating high grade silver and gold ore at cutoff grades over 15g/t Au eq. Due to local and national civil unrest, the El Pinguico Mine prematurely closed, abandoning

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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large surface and underground stockpiles of mined and ready to milled ore. The Company's NI 43-101 Technical Report dated February 28, 2017 and news release "VANGOLD MINING CORP. REPORTS EXPLORATION RESULTS: ASSAYS UP TO 34 G/T AUEQ FROM SAMPLES AT EL PINGUICO MINE", dated June 15, 2017, have confirmed the mine's exceptional high-grade production potential. The report and news release are available on [www.sedar.com](http://www.sedar.com).

Geologically, the Guanajuato Mining District is mainly characterized by epithermal deposits associated with continental Tertiary acid volcanism. The El Carmen-El Pinguico Vein is considered an extension of the Veta Madre Vein system, the main vein in the historic Guanajuato Silver District, and the depth extent is still unknown. The mineralization consists of a mixture of native gold and silver, polybasite, pyargyrite, tetrahedrite, marcasite, sphalerite, galena, pyrite and chalcopyrite. The property has excellent access routes, communications, basic mining infrastructure and proximity to processing plants.

### **Current Exploration**

On November 22, 2017, the Company's wholly owned subsidiary, Obras Mineras El Pinguico SA de CV, entered into a "Right of Passage" agreement with the Ejido and the town of Calderones, located 2 km from the El Pinguico mine. The Right of Passage agreement provides unencumbered access for the Company's mining vehicles and contractor equipment to enter the Company's mining concessions and surrounding land. This is a critical agreement to have in place and the Company can continue its developments with the full approval and agreement of the town of Calderone's residence.

In November 2017, the Company reported it had commenced a grading and sampling campaign on the surface stockpile. The "Scope of Work" has commenced with the digging of 24 trenches within a defined and pre-determined grid pattern of 25m x 25m. The objectives of the sampling program are (i) to confirm the overall average grade and economics of the surface stockpile; (ii) provide data for a blending regime to transport a consistent mill feed, for the Company's near-term toll treatment milling strategy; and (iii) to define and optimize metallurgical recoveries for this type of exposed weathered stockpiled material.

The current scope of work on the El Pinguico property focuses on realizing an inferred resource over both the surface and underground stockpiles. Apex Geoscience has been engaged as QP and will oversee the QA/QC 43-101 protocols for all sampling and grade control program for the surface and underground (UG) work programs. Apex Geoscience will follow with an updated NI 43-101 upon the completion of all work and results.

The scope of work for the underground (UG) ore pile is based on accessing the lower 8th level, the old mine's production level – 245 m below surface. This is being done by installing at surface, an electric hoist over the El Pinguico shaft, bringing the geological team to previously obstructed levels, down 125 metres to forth level through to the eighth level at 245 metres. The work program is planned to retrieve samples by way of locating crosscuts leading into the UG stockpile. Additional sampling will be carried out by a portable drill rig capable of penetrating through the broken stockpile. A defined drilling strategy is being implemented to access the deep sections of the UG stockpile to increase the area of grade continuity for resource calculation. The portable rig will provide core samples totalling 1,000 to 1,200 metres from three locations in ide the mine. Bulk samples will be retrieved from several locations for the purpose of conducting metallurgical testing for optimizing recoveries during milling and flotation.

In April 2017, the Company released a NI 43-101 Technical Report on the El Pinguico mine, prepared by Mr. Carlos Cham Domínguez, C.P.G., an independent Qualified Person (as that

**Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

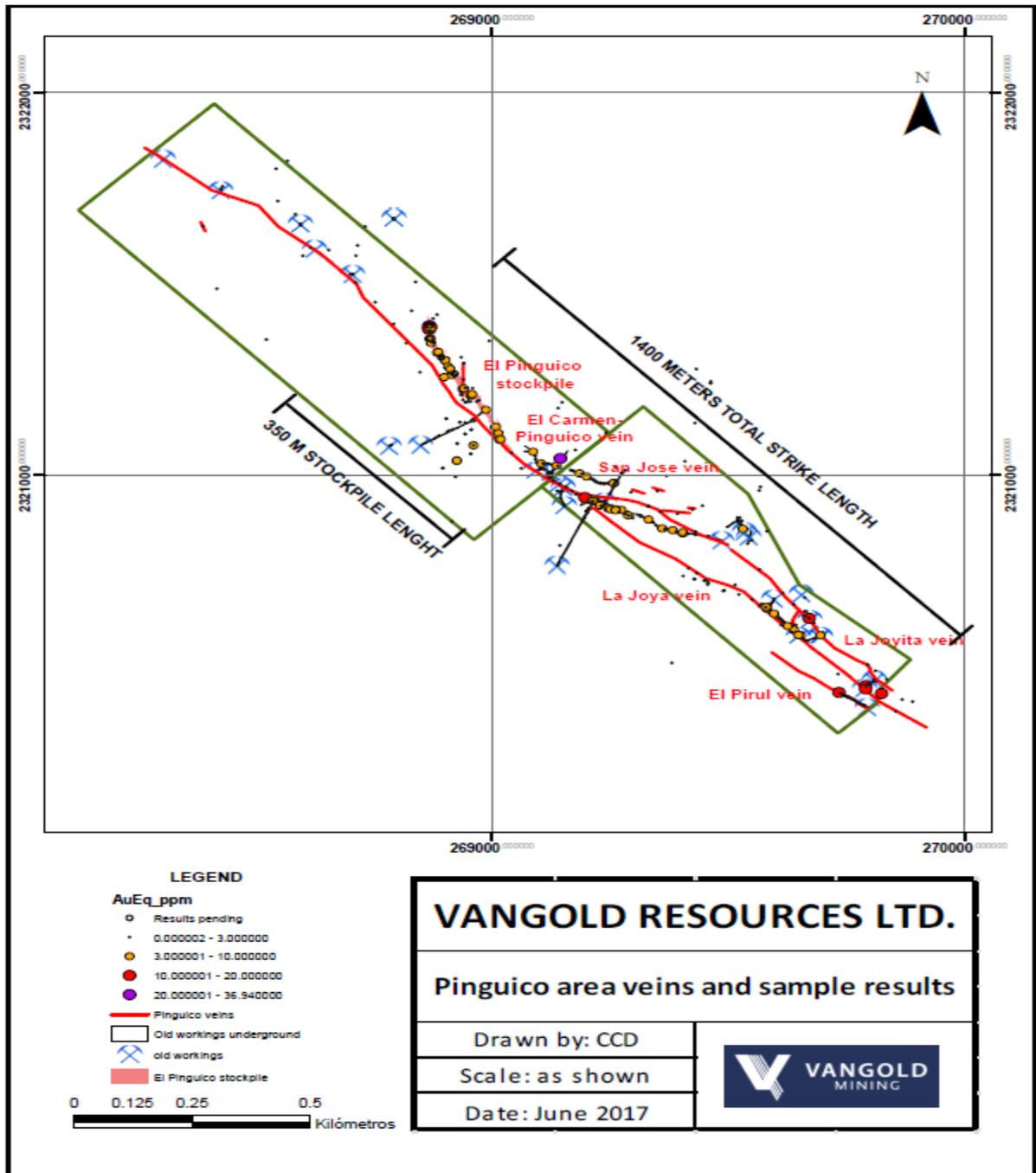
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term is defined in NI 43-101). The report is available on [www.sedar.com](http://www.sedar.com) and the Company's website.

The Company retained FindOre SA de CV, a geological exploration services company, to continue with its recommended work program which included, extensive surface and underground mapping, surveying, rock sampling and trenching.

The results of the geological exploration program were extensive, covering over 800 hectares and providing new mineralization theory of disseminated Au and Ag in the surrounding Rhyolite structures. The Rhyolite structures are intrusive with the mineralized Breccia conglomerate and the Epithermal vein system across the property. These results have expanded potential recovery of Au and Ag beyond the known El Pinguico and El Carmen veins. Highlights from the exploration program include:

- Collected a total of 512 rock samples taken from surface grab samples and outcrops, historical workings and adits.
- 12 samples over 10 g/t (Au eq) and three over 20 g/t (Au eq) have been collected in the existing workings providing confidence on the potential in situ ore deeper in the rock.
- Over 70 samples of over 3 g/t (Au eq).
- Confirmation of extending mineralization over 1.5 kms of El Carmen-Pinguico veins to southern claim limit.
- Completion of detailed mapping illustrates multiple parallel and perpendicular vein systems across the property as illustrated in the El Pinguico map below.
- Surface stockpile with a surveyed area of over 15,000 m<sup>2</sup> and over 92,000 m<sup>3</sup> of rock with grades ranging from 0.14 g/t Au eq to 4.36 g/t Au eq.
- Specific gravity tests have been done in the in situ veins sampled providing an average SG of 2.56.



The exploration program provided the Company detailed knowledge of the parallel vein structures within El Pinguico/El Carmen concession, such as Pachuca, San Jose, and El Pirul veins. Visible vein thickness 0.30 metres to 3.0 metres thick of mineralization and several hundred metres in length. Perpendicular veins hold significant discovery potential with La Joya and La Joyita veins at surface and potential intersection with the Veda Madre (Mother Vein) at depth.

### *Mexican Silver Belt Claims*

On April 28, 2017, the Company entered into an agreement to acquire 100% of seven mining concessions to strategically improve its mineral holdings within the Mexican Silver Belt. On June 27, 2017, the TSX-V approved the arm's length transaction. The new mining concessions were divided between the Company's two subsidiaries.

Obras Mineras El Pinguico SA de CV acquired the Patito I and Patito II concessions to expand its land position adjacent to the El Pinguico mine project. The remaining five concessions are owned by Vangold Mining's subsidiary Canmex Silver SA de CV. Under the terms of the agreement, the Company will pay consideration of \$10,000 and issue 3,125,000 common shares. The vendors retain a 2.5% NSR royalty of which 1.25% (one-half) may be repurchased for \$500,000 by one or both of the subsidiaries, dependent on the economic development of the concession.

### **Patito I and Patito II**

Providing additional acreage to the El Pinguico Mine Project, these claims are in close proximity and strike with the Veta Madre (Mother Vein) system. Several vein/lode structures are present providing a possible parallel vein system of the Veta Madre and El Pinguico veins. The host rocks are sub-aerial acid volcanics. Numerous Au-Ag rock chip anomalies have been identified by historical sampling. The mineralization is associated with brecciation and mesothermal/epithermal quartz veining/stockwork and silicification controlled by narrow structures 0.3 m to 1.5 m wide at surface with potential to open at depth as proven by historical mining.

### **Analy I and II**

These claims represent a total land area of 723 hectares, located within 50 km of Guanajuato, in the middle of the prolific Silver Belt, and have hosted historical high grade Ag and Zn operations. The area is an old Ag-Pb-Zn mining field which has never been explored using modern methods, providing several potential economic discoveries.

### **El Ruso**

The El Ruso claim area is located adjacent to an old mercury (Hg) prospecting pit and several other small historical Hg and Au-Ag mines are present in the area, including the EL Nacimiento skarn deposit. No historical production/grade records are available. Historical and current field work shows potential high grade Au and Ag assays.

### **Ysabela and Camila**

These are granted claims in an old Ag-Pb-Zn-Au mining field in the Sierra Madre Oriental. The Camila claim boundary is located on the abandoned Santa Ana Ag-Pb-Zn mine, a manto or skarn deposit that operated intermittently from the late 1800's to 1995. Several other abandoned Ag-Pb-Zn mines are located on claim boundary including Guadalupe Mine, an Ag-Pb-Zn mine that operated intermittently from late 1800's to about 1985, with maximum production prior to closure of 1000t/day. A 200 m deep shaft is connected to a lower 530 m long ore haulage and ventilation tunnel. An inactive mill plant occurs within the claim. The area has never been explored using modern exploration methods and has never been drilled, offering significant mineralization potential with minimal exploration investment. The area is easily accessible by road and the terrain is amenable to rapid screening by conventional reconnaissance exploration techniques.

***Rossland, BC Canada***

Vangold holds an interest in two mining claims located in the West Kootenay region of British Columbia, which are legacy assets owned by the Company for over 20 years. These properties are not considered to be core assets and will remain in the Company until a suitable sale can be structured.

***South Belt***

Vangold holds a 50% interest in certain mineral claims within the historic Rossland gold camp in southeastern British Columbia.

The Company entered into an option and joint venture agreement with a private company, Rossland Resources Inc. ("RRI") that entitles RRI to earn a 100% interest in the property. RRI has fulfilled its commitments to earn a 50% interest. RRI has granted Vangold a 1.5% NSR on the claims. RRI can purchase the NSR granted to Vangold for a total of \$1,500,000 at any time. RRI is operator of the project.

***Evening Star Property***

The Company owns a 100% interest in the surface rights and 50% interest in the mineral rights comprising the Evening Star Property. On July 1, 2014, the Company issued a mortgage on the Evening Star Property in the amount of \$50,000. The mortgage is being held as collateral on part of the Company's short-term debt.

***Exploration Outlook***

The Company is in the exploration and development phase of its asset holdings across the Mexican Silver Belt. The Company considers the El Pinguico Mine Project its core asset, advancing the property through exploration programs and developing a low risk drilling campaign to prove the lower extension of the El Pinguico vein into an inferred resource.

The Company continues to evaluate near term cashflow opportunities by the extraction of both the surface and underground stock piles. Management is addressing capital requirements, ore recoveries, environmental and explosive permits to determine economic feasibility.

The Company is evolving its knowledge on the historical data recovered from its years of production and mapping the known vein system. At this time, the Company continues to evaluate the potential mineralized system and is planning to initiate drilling programs sometime in 2018 when all permitting has been registered and approved. None of the Company's properties are currently in production.

## Financial

### *Summary of Quarterly Results*

The Company is an exploration stage company and has not generated any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter ended:	Revenues \$	Net income (loss) \$	Basic and fully diluted loss per share \$
December 31, 2015	-	(18,893)	(0.00)
March 31, 2016	-	(18,992)	(0.00)
June 30, 2016	-	(14,379)	(0.00)
September 30, 2016	-	(14,424)	(0.00)
December 31, 2016	-	(104,975)	(0.01)
March 31, 2017	-	(308,011)	(0.02)
June 30, 2017	-	(922,286)	(0.03)
September 30, 2017	-	(502,793)	(0.01)

To date, the Company has not yet realized profitable operations and has relied on equity financings to fund its losses. The difference in the losses between the various quarters is mainly due to the amount of activity by the Company in each quarter, primarily on mineral exploration expenditures, general administration and regulatory requirements.

Significant changes for each quarter relate to:

- December 31, 2016 – the Company announced the acquisition of the El Pinguico Mine.
- March 31, 2017 - Consulting and legal fees increased as the Company implemented its acquisition plan of the El Pinguico Mine and added key personnel.
- June 30, 2017 – Management, consulting and professional fees increased due to the Company closing the El Pinguico Mine transaction and entering into an agreement to acquire seven mining claims in Mexico.

### **Results of Operations**

The review of the results of operations should be read in conjunction with the Company's September 30, 2017 condensed consolidated interim financial statements. For the three months ended September 30, 2017, the Company incurred a loss of \$502,793 (September 30, 2016 - \$14,424) and for the nine months ended September 30, 2017, the Company incurred a loss of \$1,733,090 (September 30, 2016 - \$47,795).

The comprehensive loss consists of general and administrative expenses of \$1,419,601 (September 30, 2016 - \$28,921). Exploration and project investigation totaled \$326,465 (September 30, 2016 - \$nil), which primarily relates to property evaluation costs prior to acquisition of the El Pinguico mine and current exploration. Depreciation of assets is nominal as the Company held minimal capital goods for the nine months ended September 30, 2017. Interest and accretion on short-term debt was \$5,774 at September 30, 2017 (September 30,

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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2016 - \$17,808) and relates to the loans received supported by the mortgage on the Evening Star property. The overall increase in general and administrative expenses is primarily due to management and consulting fees, office expenses, travel, and legal fees incurred in the first nine months of fiscal 2017 as activity increased with the acquisition of the El Pinguico mine and the Company adding key personnel.

The expenses and related costs that reflect changes in the Company's operations during the nine months ended September 30, 2017 include the following:

- Management and consulting fees of \$514,938 (September 30, 2016 - \$18,000) were higher due to the acquisition of the Company's mining claims and addition of new management personnel;
- Professional fees of \$121,772 (September 30, 2016 - \$1,150) increased due to acquisition activity and financings during the nine months of fiscal 2017; and
- Regulatory filing and transfer agent fees of \$40,783 (September 30, 2016 - \$7,985) increased as a result of the financings completed in the first nine months of fiscal 2017.

### ***Exploration Expenditures***

During the nine months ended September 30, 2017, the Company recorded project exploration costs of \$326,465 (September 30, 2016 - \$nil). These expenses primarily consist of payments for exploration, and to maintain the El Pinguico mine in good standing, and the set-up of the regional offices in Guanajuato, Mexico.

The Company does not have sufficient funds and working capital to meet operating expenditures and exploration plans for the next 12 months. The Company will require additional financing to meet these costs.

### ***Liquidity and Capital Resources***

At September 30, 2017, the Company had cash of \$69,899 (December 31, 2016 - \$55,816) and a working capital deficiency of \$264,458 (September 30, 2016 – working capital deficiency of \$472,750). For the nine months ended September 30, 2017, the Company had no cash flow from operations.

#### ***Liquidity Outlook***

As of September 30, 2017, the Company had \$69,899 (December 31, 2016 - \$55,816) in cash, which is insufficient to fund the Company's ongoing operations. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds in the past few years.

During the nine months ended September 30, 2017, the Company worked with certain creditors to negotiate debt settlement agreements totaling \$253,911 and raised gross proceeds of \$1,458,550 through non-brokered private placements at \$0.05, \$0.07 and \$0.09. The Company also plans to raise proceeds of \$1,575,000 through a private placement at \$0.07. The Company has closed the first tranche of this private placement, raising \$542,080 by issuing 7,744,000 units at a price of \$0.07 per unit. In the opinion of management, this is not sufficient to support the Company's general administrative and corporate operating requirements and exploration activities on an ongoing basis and should the Company wish to continue as a going concern and continue its fieldwork on its exploration projects and continue developing the El Pinguico Project through to production in 2017 and beyond, further financing will be required.

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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The Company continues to incur exploration, evaluation and administrative expenses which are being expensed. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential. The key performance driver for the Company is the acquisition and development of prospective exploration and evaluation assets. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit on several of its eight mining claims.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

Additional financing is required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties. Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the Company has sufficient liquidity to support its growth strategy.

In order to finance the Company's future exploration and development of its mineral programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration results, and/or external opportunities.

### ***Related Party Transactions***

For the nine months ended September 30, 2017, the Company incurred management and consulting fees of \$30,000 (2016 - \$nil) to a company controlled by the CFO of the Company.

For the nine months ended September 30, 2017, the Company incurred management and consulting fees of \$75,000 (2016 - \$nil) to a company controlled by the Chief Executive Officer ("CEO") of the Company.

For the nine months ended September 30, 2017, the Company incurred management and consulting fees of \$45,983 (2016 - \$nil) to a director of the Company.

As at September 30, 2017, the amount of \$3,975 (December 31, 2016 – \$1,966) was owed to directors of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured and due on demand.

As at September 30, 2017, the amount of \$nil (December 31, 2016 – \$51,608) was owed to the former CFO of the Company, which is included in accounts payable and accrued liabilities. The

amount owed is non-interest bearing, unsecured and due on demand. On March 13, 2017, the Company settled \$50,663 of accounts payable and accrued liabilities owing to the former CFO of the Company through the issuance of 723,757 common shares at a price of \$0.07 per share.

As at September 30, 2017, the amount of \$43,913 (December 31, 2016 – \$122,138) was owed to the CEO of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.

As at September 30, 2017, the amount of \$9,375 (December 31, 2016 - \$nil) was owed to the CFO of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.

### **Financial Instruments**

#### (a) Fair Values

Financial instruments measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2017, as follows:

	Fair Value Measurements Using			Balance September 30, 2017 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	69,899	-	-	69,899

#### (b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company deposits its cash with high credit quality major Canadian financial institutions as determined by ratings agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk. Amounts receivable comprises of GST receivable from the Government of Canada.

#### (c) Currency Risk

The Company is not exposed to significant foreign currency risk as it does not hold significant foreign balances of cash, accounts payable and accrued liabilities, short-term debt or sales tax and other receivables.

#### (d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As of September 30, 2017, the Company had cash of \$69,899 to settle current liabilities of \$385,002.

#### (e) Interest Rate Risk

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held mainly in a bank account at a Canadian bank. Fluctuations in market rates did not have a significant impact on estimated fair values as at September 30, 2017.

The Company's interest rate risk principally arises from the interest rate impact on interest charged on its short-term debt. The Company's short-term debt is subject to fixed interest rates thus any change in interest rates would not affect its short-term debt balances.

### **(f) Foreign Exchange Rate Risk**

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at September 30, 2017, the Company is not exposed to significant currency risk as most of its transactions and balances are denominated in Canadian dollars.

### **(g) Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **Risks and Uncertainties**

The Company is engaged in the business of acquiring and exploring mineral properties with the expectation of locating economic deposits of minerals. All of the Company's properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in proven ore deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

- Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.
- Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.
- Many competitors are in the same business, some of which have greater financial, technical and other resources than the Company.
- Mining involves many hazards and risks in the field such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions and many other conditions.
- Lack of assurance that the Company will be able to obtain all necessary permits and approvals to conduct its affairs or that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.
- Operations of the Company are subject to environmental regulation, a breach of which may result in imposition of enforcement actions. Environmental hazards may exist on current properties which are presently unknown to the Company and regulations and laws change over time.

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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- World prices for metals can be unstable and unpredictable and may materially affect the Company's operations, as well as economic conditions which may change the demand for minerals.
- The securities markets worldwide can experience high price and volume volatility.
- The Company is dependent on the services of several key individuals, the loss of which could significantly affect operations.
- There is potential for officers and directors of the Company to have conflicts of interest with other entities.
- Uncertainties as to the development and implementation of future technologies.
- Changes in accounting policies and methods may affect how the financial condition of the Company is reported.
- Breaches of contracts, such as property agreements, could result in significant loss.
- Foreign currency risk as the Company operates in several foreign jurisdictions.
- The Company has investigated the right to explore and exploit its properties and to the best of its knowledge there are no known encumbrances. However, the Company's investigation should not be construed as a guarantee of title.

### **Capital Management**

The Company considers its capital to consist of its share capital, equity reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of exploration and evaluation assets. The board of directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In addition, the Company may issue new equity, incur additional debt, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no changes in the Company's approach to capital management during the quarter ended September 30, 2017 compared to the year ended December 31, 2016. The Company is not subject to externally imposed capital requirements.

### ***Management's Responsibility for the Financial Statements***

The preparation and presentation of the accompanying financial statements, MD&A and all financial information in the financial statements are the responsibility of management and have been approved by the audit committee of the board of directors. The financial statements have been prepared in accordance with IFRS. Financial statements, by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and with the participation of the CEO and the CFO, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. The CEO and CFO will certify the annual filings with the CSA as required in Canada by National Instrument 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings). The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The board carries out this responsibility principally through its audit committee which is independent from management. The audit committee is appointed by the board of directors and reviews the financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of management's assessment over internal controls described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the board for the appointment by the shareholders. The independent auditors have full and free access to the audit committee and meet with it to discuss their audit work, internal control over financial reporting and financial reporting matters. The audit committee reports its findings to the board for consideration when approving the financial statements for issuance to the shareholders and also management's report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

### ***Cautionary Statement on Forward-Looking Information***

Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking statements are based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Mexico and Canada will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change except as required by law.

#### ***Additional Disclosure for Venture Issuers without Significant Revenue***

Additional disclosure concerning Vangold's general and administrative expenses, and exploration and evaluation assets and expenditures are provided in its audited financial statements for the year ended December 31, 2016, available on Vangold's website at [www.vangoldmining.com](http://www.vangoldmining.com) or under the Company's profile on [www.sedar.com](http://www.sedar.com).

#### ***Outlook***

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

The Company is focused on developing and building its assets base in Mexico and is considering several options for the Canadian properties. The Company is considering outright sale to interested third parties, which would reduce short term debt, obligated exploration and continued property payments.

#### **Share Capital**

The Company had 43,266,129 common shares issued and outstanding at September 30, 2017 and 8,030,774 common shares issued and outstanding at December 31, 2016.

#### ***Private Placements***

- In January, March and April 2017, the Company closed a private placement and issued 10,000,000 units at a price of \$0.05 for aggregate gross proceeds of \$500,000. The Company closed the first tranche of the private placement in January 2017 issuing 1,828,920 units, closed the second tranche in March 2017 issuing 4,671,080 units and closed the third tranche in April 2017 issuing 3,500,000 units. Each unit consisted of one common share of the Company and one share purchase warrant exercisable at \$0.25 per share for a period of three years. The share purchase warrants are subject to accelerated expiry if, at any time after four months and one day after closing, the Company's shares trade at \$0.50 per share or more for ten consecutive trading days. In connection with the private placement, the Company paid cash finders' fees of \$18,145 and issued 75,000 finders' warrants exercisable at \$0.25 per share until January 13, 2020, subject to accelerated expiry upon certain events.

## **Vangold Mining Corp.**

Management's Discussion and Analysis  
Nine Months Ended September 30, 2017

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- In March 2017, the Company issued 7,265,000 units at \$0.07 per unit for gross proceeds of \$508,550. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.25 for a period of three years. The share purchase warrants are subject to accelerated expiry if, at any time after four months and one day after closing, the Company's shares trade at \$0.50 per share or more for ten consecutive trading days. In connection with this private placement, the Company paid cash finders' fees of \$13,405 and issued 191,500 finder's warrants exercisable at \$0.25 per share until March 13, 2020, subject to accelerated expiry upon certain events.
- In April 2017, the Company issued 5,555,556 units at \$0.09 per unit for gross proceeds of \$500,000. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.25 per share for a period of three years. The share purchase warrants are subject to accelerated expiry if, at any time after four months and one day after closing, the Company's shares trade at \$0.50 per share or more for ten consecutive trading days. In connection with this private placement, the Company paid cash finders' fees of \$10,500 and issued 116,667 finder's warrants exercisable at \$0.25 per share until April 24, 2020, subject to accelerated expiry upon certain events.
- In October 2017, the Company announced a private placement to raise up to \$1,575,000. The Company plans to issue up to 22,500,000 units at \$0.07 per unit, with each unit consisting of one common share and one share purchase warrant exercisable at \$0.25 for 48 months from the closing date. Vangold intends to use the proceeds to fund additional assay programs on the surface stockpiles and infrastructure development on its El Pinguico Mine Project, and for general working capital covering operations in Guanajuato, Mexico and Vancouver, BC. In November 2017, the Company closed the first tranche of the private placement and issued 7,744,000 units at a price of \$0.07 per unit for gross proceeds of \$542,080. In connection with the first tranche, the Company paid cash finders' fees of \$28,420 and issued 406,000 broker warrants exercisable at \$0.25 per share for a period of four years following date of issuance. The securities are subject to a four-month hold period from the date of closing pursuant to applicable Canadian securities laws and the rules of the TSX-V.

### ***Property Option Share Issuances***

In April 2017, the Company issued 5,000,000 common shares pursuant to the agreement associated with the El Pinguico property. The Company also issued 662,500 common shares as a finder's fee pursuant to the agreement.

In July 2017, the Company issued 3,125,000 common shares pursuant to the agreement associated with the acquisition of seven mining claims in the Mexican Silver Belt.

### ***Debt Settlement***

In March 2017, the Company settled \$196,248 of short-term debt and \$57,663 of accounts payable with the issuance of 3,627,299 common shares at a price of \$0.07.

### ***Warrants***

No warrants were issued, exercised or expired unexercised during the nine months ended September 30, 2017.

In November 2017, the Company issued 7,744,000 warrants and 406,000 broker warrants at a price of \$0.25 in connection with a private placement.

***Stock Options***

The Company's stock option plan reserves a fixed 6,784,614 shares for issuance, less any common shares reserved for currently outstanding stock options. The Company's shareholders re-approved the stock option plan at the annual general meeting held in April 2017.

In August 2017, the Company granted 3,900,000 stock options to directors, officers, employees and consultants at an exercise price of \$0.20 for a term of five years.

***Outstanding Share Information***

As at the date of this MD&A, the Company has:

- 51,010,129 common shares issued and outstanding.
- 3,900,000 stock options.
- 31,353,723 share purchase warrants.