# ALTIPLANO METALS INC.

(the “Company” or “Altiplano”)

**Form 51-102F1**
**MANAGEMENT’S DISCUSSION and ANALYSIS**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

The following Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the unaudited financial statements of the Company and the notes thereto for the three and nine months ended September 30, 2018 (the “Financial Statements”). Consequently, the following discussion and analysis of the results of operations and financial condition of Altiplano should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of November 28, 2018.

## Forward-Looking Statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

## Description of Business

Altiplano Metals Inc. (APN: TSXV) is a TSX Venture listed Tier 2 junior resource company and reporting issuer in the provinces of Alberta and British Columbia. The Company’s shares are also listed for trading on the OTCQB Venture Market, in the United States, under the trading symbol “ALTPF” and on the Tradegate Exchange, in Europe, under the trading symbol “WKN: A2JNFG”. The Company is focused on evaluating and acquiring exploration projects with significant potential for advancement from discovery through to production, in Canada and abroad. Management has a successful track record of investing in undervalued assets, adding value through technical and market expertise; and delivering returns to shareholders.

## Comet Joint Venture (the “CJV”)

<u>Recent activity</u>

The Company reported a maiden inferred resource estimate of 278,360 tonnes at an average grade of 1.92% Cu centered on the 395M Level at the Farellon Copper-Gold (Cu-Au) vein. APN filed a technical report supporting this mineral resource estimate in May 2018. In addition, the Company has completed a 7,000 tonnes bulk sampling program, which resulting grades were consistent with the maiden inferred resource. APN sent the mineralized vein material for toll milling, which generated gross proceeds to the Company that have surpassed USD 800,000. These proceeds are partially funding the continued progress of its operations at the historic Farellon Copper Gold Mine. The Company has started a third stage of bulk sampling program to test its ability to minimize dilution by extracting selectively higher-grades within a high-grade zone identified in the northeast of the Level 395M and 401M. For further information, please see the section “***Mineral Properties***” beginning on page 7.

Acquisition

In January of 2017, the Company entered into a definitive earn-in and joint venture agreement (the "Agreement") with Comet Exploration Ltd. ("Comet") in respect of acquiring a participating interest in a joint venture (the "CJV") on two copper and gold projects called the Farellon and Maria Luisa projects, which are located near the town of La Serena, Republic of Chile (collectively, the "Projects"). Comet is a private Australian exploration and development company with a focus in Chile principally in base metal and gold projects, held through its Chilean subsidiary. Pursuant to the Agreement, the Company may earn up to an initial 20%, 35% or 50% interest in the CJV, by funding up to an aggregate of US$0.75 million, US$1.25 million, or US$2.0 million. In November of 2017, Altiplano completed its US$2.0 million funding requirements and held a 50% interest in the CJV.

In December of 2017, Altiplano entered into a binding letter of intent (the "LOI") with Comet to acquire all of Comet's remaining 50% interest in the CJV. Pursuant to the LOI, the Company was to issue to Comet 7,500,000 common shares of Altiplano at a deemed value of $0.20 per share and pay A$50,000 to Comet in consideration of Comet's issuance to the Company of common shares of Comet at a price of A$0.10 per share or lower, on the same terms as would be offered to arm's length third parties. In addition, Comet will retain a 10% net profits interest in the Projects, until Comet has been paid C$1.5 million. The LOI was subject to certain conditions, including the acceptance of the TSX Venture Exchange.

On May 9, 2018 the parties executed a Supplemental Agreement (the "Supplemental Agreement") that outlined the various closing procedures for the transfer of Comet's remaining 50% interest in the CJV to Altiplano. Among other things, the Supplemental Agreement provided for the transfer of Comet's Chilean subsidiary to Altiplano, the delivery of Comet's release, and Comet's and Altiplano's mutual termination of the Agreement, in exchange for 7,500,000 common shares of Altiplano. The closing documents were held in escrow by a Chilean law firm, pending approval of the demerger transaction by the Chilean Tax Authority.

In September of 2018, the parties received approval of the demerger transaction and the closing documents were completed.

**Overall Performance**

Although exploration costs have been partially offset by proceeds from the sale of mineralized vein material extracted as part of the Company's bulk sampling and test programs. No productions decision has been made and the Company has no operating revenue to date per se. The Company relies on the issuance of common shares to finance exploration and to provide working capital.

**Selected Annual Information**

The following table summarizes audited financial data for operations reported by the Company for the past three fiscal years:

| **Fiscal period ended** | **Dec 31, 2017** | **Dec 31, 2016** | **Dec 31, 2015** |
|---|---:|---:|---:|
| Current assets ($) | 235,878 | 81,923 | 97,719 |
| Capitalized exploration and evaluation expenditures ($) | 3,175,319 | 96,869 | - |
| Current liabilities ($) | 143,490 | 44,945 | 43,409 |
| Net loss ($) | (1,373,793) | (367,784) | (655,075) |
| Basic and diluted loss per common share ($) | (0.04) | (0.05) | (0.14) |
| Weighted average number of common shares outstanding | 30,853,070 | 8,045,696 | 4,714,314 |

## Summary of Quarterly Results

The following table summarizes financial data for the eight most recently completed quarters:

| Quarter ended | Sep 30, 2018 | Jun 30, 2018 | Mar 31, 2018 | Dec 30, 2017 | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Dec 31, 2016 |
|---|---|---|---|---|---|---|---|---|
| Net loss ($) | (328,188) | (1,005,530) | (386,442) | (471,935) | (167,985) | (450,012) | (283,861) | (141,603) |
| Basic and diluted net loss per common share ($) | (0.00) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) |

## Results of Operations

Nine months ended September 30, 2018

During the nine months ended September 30, 2018 ("the current quarter"), the Company incurred a net loss of $ 1,996,853 compared to a net loss of $901,858 during the nine months ended September 30, 2017 ("2017" or "the comparative quarter"). General and administrative expenses for the current quarter, consisting of management fees, project evaluation fees, investor relations expenses, regulatory and filing fees, office and administration and professional fees, totaled $1,512,406 (2017 - $914,329). Corporate expenses in the current quarter include the following:

- Office and administrative expenses of $94,889 (2017 - $97,183) include office, accounting, and support fees incurred in the current quarter;
- Professional fees of $94,104 (2017 - $62,150) were incurred for legal fees pertaining to corporate legal counsel on general matters and acquisitions, and audit fees incurred for the audit of the Company's annual financial statements;
- Investor relations expenses of $428,755 (2017 - $458,761) include investor relations consulting, travel and on-line shareholder communication expenses;
- Regulatory and filing fees of $36,979 (2017 - $51,721) include transfer agent expenses incurred during the current and comparative quarter;
- Management fees of $181,179 (2017 - $179,514) include management services rendered in connection with corporate activity and project evaluation;

The Company recognized share-based compensation expense of $676,500 in the current period (2017 - $65,000) for the issuance of stock options to certain director and consultants. Offsetting the above expenses, the Company received interest income of $49 (2017 - $43) on GST receivable, a loss on foreign exchange of $114,849 (2017 – gain of $18,678), a unrealized loss on investments of $38,900 (2017 – 6,250), proceeds from sale of mineralized materials of 330,849 (2017 – nil) and a loss on disposal of exploration and evaluation assets of $384,903 (2017 – nil).

## Financial Instruments

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

*Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company's currency risk is limited to its future payments denominated in foreign currency for its Orogrande Property and Comet Joint Venture.

*Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities, therefore interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk. The Company's maximum exposure to credit risk is $85,654 (2017 - $266,181).

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at September 30, 2018, all of the Company's financial liabilities are due within one year.

As at September 30, 2018, the Company's working capital was $377,979 (2017 - $202,597) and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Determination of fair value

The statements of financial position carrying amounts for cash, goods and services tax receivable, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

**Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

| **For the nine months ended** | **September 30 2018** | **September 30 2017** |
|---|---|---|
| Management fees paid to key management and directors | $ **135,953** | $ 164,500 |
| Investor relations fees paid to a director | **45,300** | 45,000 |
| Office and admin fees paid to a corporation controlled by key management | **45,691** | 19,800 |
| | **$ 226,944** | $ 229,300 |

**Liquidity and Capital Resources**

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain adequate financing in the future.

Working capital at September 30, 2018 was $377,979 compared to $92,388 at December 31, 2017. As of the date of this MD&A, the Company has working capital of approximately $225,168.

Subsequent to September 30, 2018, the Company has arranged interim bridge loan financing (the "Loans") from various insiders and other private investors of the Company to raise a minimum of $100,000 and up to a maximum of$500,000.

Under the terms of the financing, the Loans will bear interest at 10% per annum and will be repayable by the Company one year after their date of advance (the "Maturity Date"). The Company expects to repay the Loans on the Maturity Date from cash flow generated from the Company's operations in Chile, conditional upon a positive production decision being made by the board in 2019.

As compensation to the lenders for the risk of repayment of the Loans, Altiplano will issue bonus common shares equal to 20% of the principal amount loaned by each lender at an issue price of $0.175 per share, up to a maximum of 571,428, if the entire $500,000 is raised. The proceeds of the financing will be used to pay current trade payables of the Company and to fund the completion of the current exploration program, with any surplus to provide general working capital.

**Outstanding Share Data**

The following table summarizes the Company’s outstanding share capital:

| | **November 28, 2018** |
|---|---:|
| Common shares outstanding: | 65,691,186 |
| | |
| Stock options<br>(weighted average exercise price of $0.23) | 3,500,000 |
| Warrants<br>(weighted average exercise price of $0.18) | 2,839,339 |
| | |
| Fully diluted common shares outstanding | **72,030,525** |

**Mineral Properties**

**Comet Joint Venture (“CJV”)**

<u>Farellon - Overview</u>

The Farellon copper-gold project is located ~ 40 km south of the La Serena town, Chile. The project lies within the coastal Iron Oxide Copper Gold (IOCG) belt, which runs for hundreds of kilometres and hosts important IOCG and/or porphyry-type copper-gold deposits such as Andacollo, Mantos Blancos, Candelaria, and Mantos Verde. These deposits, including Farellon, are spatially associated with the Atacama fault system. The Atacama Fault System (AFS) is the most important regional structure of the Coastal Cordillera and likely controlled the emplacement of IOCG and porphyry-type ore deposits and associated magmatic rocks. A Technical Report by APEX Geoscience Ltd. (APEX) of Edmonton, Alberta, Canada summarizing the project geology and copper-gold potential has been filed on SEDAR in March 2017.

The Farellon project consist of a system of multiple Fe-Cu-Au-veins that strike northeast and dip ~72° to the southeast. The main veins (Farellon, Laura, and Rosario) have been traced in outcrop and underground workings for more than 1.2 km, range in width from 1 to 10 m (~2 m average) and are well mineralized over much of their strike lengths. Historic underground mining has yielded grades on the order of 2.5% copper and 0.5 parts per million (ppm) gold. Currently, there is no National Instrument (NI) 43-101 compliant resources on the property. However, a maiden mineral resource estimate centered only on the Farellon vein reports an inferred mineral resource of 278,360 tonnes at an average grade of 1.92% Cu and 0.12 ppm Au and, based on historic underground mining and recent underground and surface mapping, similar resources can be expected to be contained in the Laura and Rosario veins.

The Farellon project continues to be explored for copper/gold bearing magnetite veins that have seen historical production at shallow levels. The February 2017 Technical Report on Altiplano's Chilean projects (Dufresne, 2017) recommended a significant work program at the Farellon project that includes drilling, underground sampling, surface surveying (including a UAV survey), underground surveying, geophysical surveying, underground development and bulk sampling, all of which was incorporated into a maiden mineral resource estimation technical report in 2018. Altiplano has completed a geophysical magnetometer survey and is currently executing a bulk sampling effort intended to evaluate Cu mineralization that has recently been encountered adjacent to the new (2017) Farellon decline, which has been advanced 395m in 2017.

Farellon - Maiden Resource Estimate

Results of the maiden inferred resource estimate by APEX Geoscience Ltd. are reported on Table 1. The estimate is centered on the newly constructed 395M Level at the Farellon Copper-Gold (Cu-Au) vein and yields 278,360 tonnes at an average grade of 1.92 % Cu and 0.12 ppm Au at a lower cutoff of 1.0 % Cu, utilizing a minimum horizontal width of 1.2 m. The actual average vein width from all sampling is 1.84 m. APN filed a technical report supporting this mineral resource estimate in May 2018. The estimate was done utilizing a total of 403 samples including 173 underground channel samples and 230 diamond drill core samples. Drilling yielded copper grades of up to 9.45 % over 1.14 m core length and channel sampling on the 395M level yielded grades up to 11.9 % Cu over 2.85 m true width. The 2017 Farellon drill program collar information and significant intersections are summarized in Tables 2–3 below.

*Table 1: Farellon Maiden Inferred* Mineral Resource Estimate*

| **Lower Cu Cutoff** | **Volume m$^3$** | **Tonnes** | **Density** | **Copper (%)** | **Gold (ppm)** |
|---|---|---|---|---|---|
| 0.50% | 92,930 | 385,640 | 4.15 | 1.59 | 0.11 |
| 0.75% | 77,560 | 321,860 | 4.15 | 1.78 | 0.12 |
| **1.00%** | **67,070** | **278,360** | **4.15** | **1.92** | **0.12** |
| 1.25% | 49,530 | 205,560 | 4.15 | 2.20 | 0.12 |
| 1.50% | 38,290 | 158,910 | 4.15 | 2.44 | 0.11 |
| 1.75% | 34,890 | 144,800 | 4.15 | 2.52 | 0.12 |
| 2.00% | 31,129 | 129,190 | 4.15 | 2.60 | 0.12 |

The estimated mineral resource was produced using inverse distance squared (ID2). The resource is based upon creating a composite file from the individual assays out to the full width of the mineralized portion of the vein including any intervening low-grade samples (resulting in 109 composite samples). Search ellipses were based upon geology and variography. No capping was applied. A block model was created using a 2x2x2 m parent block size and sub-blocking down to 1x1x1 m. Drill core and channel sampling included an appropriate number of standards and blanks. No issues were identified in the QAQC work.

Farellon - Initial Bulk Sample (2,000 tonnes)

The initial bulk sampling program of 2,000 tonnes of Cu-Fe-Au mineralized vein material has been completed. The mineralized vein material was extracted from the 395M level and the average grade of this material (1.89 % Cu) reported from toll milling supports the 1.92 % Cu grade estimated by APEX Geoscience LTD in their maiden inferred resource centered at the Farellon vein. The completion of toll milling for the initial bulk sample has generated gross proceeds to the Company of US$159,722 or US$80 per tonne and helps to form a basis for analyzing its potential economics going forward.

Farellon - Second Bulk Sample (5,000 tonnes)

A second bulk sample program of 5,000 tonnes of mineralized vein material was completed during the second quarter of 2018 with a total of 4,453 tonnes of copper-bearing material extracted dominantly from the 395M level. This material was sent to various processing facilities and sold as either copper-bearing material and or copper concentrate. The average grade of this material was 1.77% Cu. The proceeds generated on the sale of copper-bearing material or concentrate from the Bulk Sample averaged approximately US$71 per tonne and, despite of the ~20% decrease of copper price, APN has determined that private toll processing and producing concentrate for sale is the best option going forward.

Farellon – Underground Channel Sampling

The underground channel sampling program consists of systematic chip channel sampling distributed every 3–5 m. To date, it covers 270 m along the 395M, 200 m along the 401M, and 41 m along the 414M level horizontal drifts underground development. The Company will continue developing, mapping, and sampling along the entire Farellon property, particularly on the 395M Level, 401M Level and 414M levels to gather sufficient data to expand and upgrade the maiden inferred resource.

*Table 2. 2017 Farellon Project Underground Drill Collars*

| DDH | Northing | Easting | ELEV (m) | Azimuth | Dip (Deg) | Depth (m) | Drill Station |
|---|---|---|---|---|---|---|---|
| **17FND001** | 6657777.7 | 287617.4 | 421.2 | 152.5 | -0.3 | 5.6 | 110 |
| **17FND002** | 6657825.2 | 287698.4 | 408.4 | 164.7 | 0.0 | 12.59 | 210 |
| **17FND003** | 6657830.6 | 287718.2 | 406.3 | 129.8 | 2.8 | 6.02 | 230 |
| **17FND004** | 6657831.1 | 287717.8 | 405.8 | 168.1 | -28.5 | 9.66 | 230 |
| **17FND005** | 6657830.8 | 287718.1 | 407.4 | 129.4 | 28.8 | 11.4 | 230 |
| **17FND006** | 6657846.7 | 287742.3 | 402.6 | 144.5 | -0.2 | 5.54 | 260 |
| **17FND007** | 6657848.1 | 287743.1 | 402.5 | 103.7 | -1.2 | 7.78 | 260 |
| **17FND008** | 6657846.3 | 287741.0 | 402.0 | 200.0 | 0.0 | 5.6 | 260 |
| **17FND009** | 6657831.9 | 287719.0 | 406.1 | 91.4 | -1.8 | 6.81 | 230 |
| **17FND010** | 6657830.1 | 287717.8 | 406.1 | 170.5 | 0.2 | 7.1 | 230 |
| **17FND011** | 6657830.1 | 287717.8 | 405.5 | 170.5 | -30.0 | 10.5 | 230 |
| **17FND012** | 6657862.0 | 287757.0 | 400.3 | 148.0 | 0.0 | 21.25 | 280 |
| **17FND013** | 6657865.2 | 287766.2 | 399.8 | 103.8 | 0.3 | 24.74 | 290 |
| **17FND014** | 6657866.0 | 287765.8 | 399.8 | 89.7 | -2.4 | 12.68 | 290 |
| **17FND016** | 6657833.3 | 287718.1 | 406.2 | 80.1 | -2.0 | 12.99 | 230 |
| **17FND017** | 6657833.3 | 287718.1 | 405.5 | 79.9 | -32.6 | 15.02 | 230 |
| **17FND018** | 6657864.2 | 287765.2 | 399.8 | 143.4 | -0.7 | 11.72 | 290 |
| **17FND019** | 6657865.9 | 287765.7 | 399.3 | 91.5 | -31.7 | 15.1 | 290 |
| **17FND020** | 6657892.3 | 287795.7 | 396.2 | 107.4 | -2.2 | 19.82 | 330 |
| **17FND021** | 6657864.9 | 287766.0 | 399.1 | 130.0 | -29.9 | 18.7 | 290 |
| **17FND022** | 6657863.7 | 287763.6 | 399.8 | 189.1 | -0.5 | 13.85 | 290 |
| **17FND023** | 6657876.6 | 287774.4 | 398.0 | 76.9 | -4.8 | 23.5 | 300 |
| **17FND024** | 6657891.5 | 287794.5 | 396.3 | 141.3 | -1.1 | 16.54 | 327.5 |
| **17FND025** | 6657891.9 | 287795.3 | 396.3 | 120.0 | -0.4 | 15.74 | 330 |
| **17FND026** | 6657891.6 | 287794.5 | 395.2 | 139.0 | -27.0 | 6.9 | 327.5 |
| **17FND027** | 6657891.8 | 287794.9 | 395.3 | 139.8 | -31.5 | 21.19 | 328.1 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **17FND028** | 6657896.0 | 287800.0 | 394.0 | 94.0 | -30.0 | 15.23 | 338 |
| **17FND029** | 6657896.0 | 287800.0 | 394.0 | 144.0 | -0.5 | 9.29 | 338 |
| **17FND030** | 6657896.0 | 287800.0 | 394.0 | 145.0 | -22.0 | 10.54 | 338 |
| **18FND031** | 6657789.7 | 287630.3 | 420.5 | 147.1 | -0.9 | 17.46 | 127.5 |

*Table 3. 2017 Farellon Drill Program Intersection Summary.*

| DDH | From (m) | To (m) | Width (m) | Cu (%) W_Avg | |
|---|---|---|---|---|---|
| **17FND001** | 2.5 | 4.9 | 2.4 | 0.93 | includes |
| 17FND001 | 3.1 | 3.7 | 0.6 | 3.22 | |
| **17FND002** | 8.9 | 11.6 | 2.7 | 0.76 | includes |
| 17FND002 | 10 | 10.8 | 0.8 | 1.95 | |
| **17FND003** | 2.34 | 5.13 | 2.79 | 0.84 | includes |
| 17FND003 | 2.34 | 3.63 | 1.29 | 1.54 | |
| **17FND004** | 3.03 | 6.98 | 3.95 | 0.92 | includes |
| 17FND004 | 4.01 | 5.35 | 1.34 | 1.75 | |
| **17FND006** | 1.07 | 2.57 | 1.5 | 0.88 | |
| **17FND007** | 2.15 | 6.72 | 4.57 | 1.59 | includes |
| 17FND007 | 2.15 | 5.12 | 1.57 | 2.28 | |
| **17FND008** | 1.57 | 4.96 | 3.39 | 0.87 | includes |
| 17FND008 | 2.67 | 3.17 | 0.5 | 2.31 | |
| **17FND009** | 2 | 5 | 3 | 0.65 | includes |
| 17FND009 | 3.12 | 3.62 | 0.5 | 2.53 | |
| **17FND010** | 3.29 | 4.87 | 1.58 | 1.79 | includes |
| 17FND010 | 3.29 | 3.87 | 0.58 | 1.84 | |
| **17FND013** | 17.9 | 22.42 | 4.52 | 0.10 | |
| **17FND014** | 4.79 | 8.72 | 3.93 | 0.26 | |
| **17FNDH16** | 4.87 | 10.1 | 5.23 | 0.52 | includes |
| 17FNDH16 | 5.8 | 7.2 | 1.4 | 1.50 | |
| **17FNDH17** | 9.17 | 13.52 | 4.35 | 0.55 | includes |
| 17FNDH17 | 10.59 | 11.79 | 1.2 | 1.75 | |
| **17FNDH18** | 6.2 | 9.2 | 3 | 1.14 | includes |
| 17FNDH18 | 6.7 | 7.7 | 1 | 2.55 | |
| **17FNDH19** | 6.6 | 9.11 | 2.51 | 1.93 | includes |
| 17FNDH19 | 6.6 | 7.12 | 0.52 | 1.66 | and |
| 17FNDH19 | 7.62 | 8.65 | 1.03 | 3.54 | |
| **17FNDH20** | 13.56 | 18.35 | 4.79 | 4.14 | includes |
| 17FNDH20 | 14.7 | 15.46 | 0.76 | 10.29 | and |
| 17FNDH20 | 16.66 | 17.8 | 1.14 | 9.45 | |
| **17FND023** | 20.65 | 22.9 | 2.25 | 0.55 | |
| **17FND024** | 8.82 | 12.29 | 3.47 | 0.88 | includes |
| 17FND024 | 8.82 | 9.36 | 0.54 | 1.28 | and |
| 17FND024 | 10.38 | 11.28 | 0.9 | 2.41 | |
| **17FNDH25** | 11.11 | 15.14 | 4.03 | 1.29 | includes |

| | | | | | |
|---|---|---|---|---|---|
| 17FNDH25 | 11.51 | 12.51 | 1 | 3.17 | and |
| 17FNDH25 | 14.03 | 14.54 | 0.51 | 1.28 | |
| **17FND027** | 14.27 | 18.75 | 4.48 | 1.51 | includes |
| 17FND027 | 15.82 | 17.45 | 1.63 | 3.74 | |
| **18FND031** | 7.68 | 8.53 | 0.85 | 0.62 | |

Maria Luisa - Overview

The Maria Luisa project hosts Au-Cu mineralization in two major NW and NS trending strike-slip structural systems. Historical mining has been largely from the main NW-trending system, the Maria Luisa vein. The Maria Luisa vein is an anastomosing set of structures (traceable for ~500m long) that range 1–5 m in width and includes veins, faults, magmatic-hydrothermal breccias, and tectonic breccias. This mineralization was emplaced in two different stages. The stage I (Au-rich) mineralization consists of specular hematite-quartz banded veins with epithermal textures including open spaces, crustiform quartz, and bladed calcite indicative of boiling. Grades up to 25 ppm Au across 1.6 m obtained from a vein of massive hematite suggest an association between Au and hematite, although supergene enrichment is suspected due to the presence of jarosite. This stage is brecciated and cut by a second stage of mineralization.

The Stage II (Cu-rich) mineralization consists of magmatic-hydrothermal breccia with abundant angular fragments of stage I mineralization and andesitic rock either clast supported or cemented by siderite and iron-copper oxides (hematite, goethite, malachite) at upper levels. At lower levels (below the 841m level), the breccia fragments are dominantly andesite with lesser fragments of stage I mineralization and is cemented by quartz-chalcopyrite with minor bornite and traces of pyrite.

Maria Luisa - Survey Program

The February 2017 Technical Report on Altiplano's Chilean projects (Dufresne, 2017) recommended a significant program of work at the Maria Luisa Project that included drilling, underground sampling, surface surveying (including a UAV survey), underground surveying, geophysical surveying, and underground development. During 2017, Altiplano completed a surveying program that included surface, underground, and a 115 ha photogrammetric drone (UAV) surveys, which allowed for the accurate geospatial location of the project's infrastructure and numerous historical mine workings.

Maria Luisa - Surface Drill Program

The Company completed a limited 4-hole (495 m) drill program that was intended to test both styles of mineralization below the main historic workings of the Maria Luisa main structure. The drill program intersected both the hematite Au-rich mineralization with hole 17MLD001 (1 m @ 6.95 g/t Au and 0.03% Cu), and Cu-rich mineralization with hole MLD003 (0.6m @ 5.90% Cu and 0.22 g/t Au). Disseminations of Cu and Au were also identified within holes MLD003 and MLD004, but further drilling is required to delimit the mineralized bodies. QA/QC samples sent to the lab (ActLabs Ltd) with an overall frequency of 1 QC sample in every 10 samples shows no issues with the lab results. Core recovery within the mineralized structures ranged between 45–60%. The drill hole collar information and assay data are summarized in Tables 4–5 below.

Maria Luisa - Underground Workings and Drilling

The Company expanded the underground workings at the lowest accessible level (841M level) to improve access and allow for additional channel sampling and underground drilling. The channel sampling results confirmed the presence high-grades at the lowest level with up to 19.21 g/t Au and 2.27 % Cu across 1.1 m. A drilling program targeting the high-grade intervals is on place and results expected in September 2018.

Following the drill testing the Company intends to extract a 5,000 tonne bulk sample to confirm the potential to produce a 43-101 resource estimation. In order to extract this sample, the Company is planning to rehabilitate and deepen a shaft that presently goes from surface to the 858M level. The shaft will be extended down to the 835M level (23 m deeper) and will enable extraction of mineralized vein material from the bottom.

*Table 4. 2017 Maria Luisa Drill Collars.*

| Hole ID | Easting (m) | Northing (m) | Elevation (m) | Azimuth | Dip | Depth (m) |
|---|---|---|---|---|---|---|
| 17MLD001 | 306232 | 6767010 | 906 | 45 | -60 | 137.5 |
| 17MLD002 | 306232 | 6767010 | 906 | 45 | -50 | 84.7 |
| 17MLD003 | 306264 | 6766987 | 903 | 15 | -70 | 155.0 |
| 17MLD004 | 306209 | 6767079 | 924 | 60 | -55 | 117.5 |

*Table 5. 2017 Maria Luisa Drill Program Intersection Summary.*

| Hole ID | From (m) | To (m) | Core Interval (m) | Au (ppm) | Cu (%) |
|---|---|---|---|---|---|
| **17MLD001** | 101.30 | 102.28 | 0.98 | **6.95** | 0.03 |
| **17MLD002** | 81.70 | 83.20 | 1.50 | 0.66 | **1.28** |
| **17MLD003** | 94.15 | 96.70 | 2.55 | 0.16 | **1.68** |
| **including** | 94.75 | 95.35 | 0.60 | 0.22 | **5.09** |
| **and** | 100.00 | 102.00 | 2.00 | **1.53** | 0.38 |
| **and** | 115.00 | 116.40 | 1.40 | **1.62** | **2.53** |
| **17MLD004** | 42.90 | 44.40 | 1.50 | **1.32** | 0.52 |

(note: there is insufficient information available to determine true widths at this time)

**Risks and Uncertainties**

*Mining Risks*

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sale of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

*Business Risks*

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings as well as the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

*Competition*

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive exploration and evaluation properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop is present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

*No Operating History and Financial Resources*

The Company is in an advanced stage of exploration, having completed an initial bulk sample during the period, which generated proceeds of $159,722, partially offsetting exploration expenditures. The Company has also reported a maiden inferred resource and undertaken a second, larger bulk sample for which the proceeds remain unknown. Inferred mineral resources are not mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. Should a production decision be made without completing a feasibility study demonstrating economic and technical viability, there would be increased uncertainty as well as economic and technical risks associated with such production. No production decision has been made at this time. The Company anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests.

*Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

*Key Executives*

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

*Potential Conflicts of Interest*

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

*Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

*Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

**Outlook**

The Company is presently conducting underground exploration at different levels of the vein as well as advancing the Don Hugo Decline and testing different mill plants for mill processing the mineralized material at the Farellon property. At the Maria Luisa property, the company is conducting an underground drilling program to continue exploring deeper levels and evaluate the possibility for bulk sampling. Additionally, the company is planning to merge with or acquire additional projects or mine operations in Chile.

**Qualified Person**

The disclosures contained in this MD&A regarding the Company's exploration & evaluation properties have been prepared by, or under the supervision of, Mr. Osbaldo Zamora Vega, PhD., P.Geol., and Vice President of Exploration for the Company and a Qualified Person for the purposes of National Instrument 43-101.

**Approval**

The Audit Committee of the Company approved the disclosures contained in this MD&A.

**Other Information**

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and on the Company's website at www.apnmetals.com.