



(the “Company”)

INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2017

General

This interim Management’s Discussion and Analysis (“Interim MD&A”) supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2017. The following information, prepared as of November 27, 2017, should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for nine months ended September 30, 2017 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2016 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2017 financial statements have not been reviewed by the Company’s auditors.

The Company’s public filings, including its most recent unaudited and audited financial statements can be reviewed on the SEDAR website (www.sedar.com).

Forward Looking Information

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation (“Forward-looking Statements”). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to:

- the Company’s planned exploration activities for its mineral properties;
- the Company’s available-for-sale and equity investments;
- the suspension of receiving royalty payments from the Tambor Project;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company’s cash position and its ability to raise, if needed, equity capital or access debt facilities; and
- maturities of the Company’s financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as “anticipates”, “believes”, “plans”, “estimates”, “expects”, “forecasts”, “scheduled”, “targets”, “possible”, “strategy”, “potential”, “intends”, “advance”, “goal”, “objective”, “projects”, “budget”, “calculates” or statements that events, “will”, “may”, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration activities, and investing in companies which conduct mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- inability to dispose of illiquid securities;
- receipt of royalty payments from the Tambor Project;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition; and
- uncertainties relating to general economic conditions.

as well as those factors referred to in the “Risks and Uncertainties” section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company’s properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and/or development activities proceeding on a basis consistent with the Company’s current expectations;
- ability to sell our available-for-sale and equity investments as needed;
- royalty payments from the Tambor Project to begin being received again;
- due diligence investigations on potential investments will reveal all relevant facts;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to

be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company has been exploring for gold in the Americas for over a decade which has resulted in the discovery of several gold deposits in Central America. Management has been conducting an ongoing review of exploration projects and/or distressed junior companies that may be available for acquisition or joint venture with the aim of expanding the geographic and commodity focus of the Company.

Since commencement of commercial production at the Tambor Project, Guatemala in December 2014 and until suspension of operations in May 2016, the Company has received royalty payments from the project owner. To date, the Company has recognized net royalty income of \$1,530,555, of which \$746,375 has been received to date. For further details on this royalty, see “Royalty Interests – Guatemala-Tambor Project Royalty” below.

In order to give the Company more flexibility in the way it is allowed to put its capital to work, the Company completed in April 2015 a change of business from a Tier 2 Mining Issuer to a Tier 1 Investment Issuer in accordance with the rules and policies of the TSX Venture Exchange (“TSXV”). There have been no changes in the Company’s management or Board members as a result of the change of business. The Company remains involved only in the resource sector and is not seeking to become solely a royalty company or investment fund. The change of business has simply given the Company more flexibility to apply its working capital to a wider range of projects within the resource sector.

A summary of the Company’s investments, royalties and properties is provided below:

Investments

The following is a summary of investment activities since January 1, 2017 and until the date of this MD&A:

- 2,742,700 common shares and 2,742,700 warrants of Focus Ventures Ltd. (“Focus”) were purchased by way of a private placement at a cost of \$137,135.
- 2,425,000 common shares of Focus were purchased on the open market at a cost of \$92,346.
- 700,000 common shares of GrowMax Resources Corp. (“GrowMax”) were purchased on the open market at a cost of \$81,649.
- 239,385 shares of Fortuna Silver Mines Inc. (“Fortuna”) were received with a fair market value at time of issuance of \$1,491,369 as part consideration for the sale of the Company’s Tlacolula Property, Mexico.
- 1,263,883 common shares of Volcanic Gold Mines Inc. (“Volcanic”) were received with a fair value of \$606,664 at the time of issuance, pursuant to a mineral property assignment agreement.
- 1,959,000 common shares and 1,542,000 warrants of Volcanic were acquired by way of private placements at a cost of \$575,100.
- 93,000 common shares of Southern Silver Exploration Corp. (“Southern Silver”) were sold on the open market for net proceeds of \$41,188.
- 1,000,000 common shares of Rackla Metals Inc. (“Rackla”) were acquired by way of a warrant exercise at a cost of \$50,000.
- 1,000,000 common shares and 1,000,000 warrants of ValGold Resources Ltd. (“ValGold”) were acquired by way of a private placement at a cost of \$65,000.
- 100,000 common shares of Advantage Lithium Corp. (“Advantage”) were sold on the open market for net proceeds of \$111,921.

The Company's current cash and cash equivalents on hand is approximately \$3.1 million and its current investments consist of:

<p><i>Advantage</i> 150,000 shares Current market value: \$180,000</p>	<p>Advantage is a resource company specializing in the strategic acquisition, exploration and development of lithium properties.</p>
<p><i>Champagne Resources Limited ("Champagne")</i> 625,000 shares Current market value: N/A Plus: warrants to purchase an additional 312,500 shares</p>	<p>Champagne is a private company engaged in the exploration of mineral resource properties in northern Ontario with a focus on gold deposits. It has a significant land position in the world class Kirkland Lake Gold Camp five kilometres from the Town of Kirkland Lake and adjacent to Kirkland Lake Gold Inc.'s high grade producing gold mine.</p>
<p><i>Focus</i> 10,256,106 shares Current market value: \$307,000 Plus: warrants to purchase an additional 4,573,700 shares</p>	<p>Focus is a Canadian-listed exploration company developing the Bayovar 12 sedimentary phosphate resource in northern Peru.</p>
<p><i>Fortuna</i> 239,385 shares Current market value: \$1,307,000</p>	<p>Fortuna is a growth oriented, precious metal producer with its primary assets being the Caylloma silver mine in southern Peru, the San Jose silver-gold mine in Mexico and the Lindero gold project in Argentina.</p>
<p><i>GrowMax</i> 1,200,000 shares Current market value: \$132,000</p>	<p>GrowMax is a TSXV listed company focused on exploration and development of phosphate and potassium-rich brine resources on its Bayovar concessions in northwestern Peru.</p>
<p><i>Medgold</i> 10,040,000 shares (10+% of issued) Current market value: \$1,606,000</p>	<p>Medgold is a European-focused TSXV listed gold exploration and development company, focussing on the orogenic gold provinces of northwest Iberia and the under-explored provinces of southern Europe.</p>
<p><i>Rackla</i> 3,973,275 shares (10+% of issued) Current market value: \$516,000</p>	<p>Rackla is a mineral exploration company actively looking for new projects in the Americas to add to its portfolio of mineral claims in the Yukon Territory.</p>

<p><i>Southern Silver</i> 1,407,000 shares Current market value: \$351,000</p>	<p>Southern Silver is engaged in the acquisition, exploration and development of high-grade precious / base metals properties within North America, and is continuing to advance its flagship Cerro Las Minitas silver-lead-zinc property in Mexico.</p>
<p><i>ValGold</i> 1,000,000 shares Current market value: \$60,000 Plus: warrants to purchase an additional 1,000,000 shares</p>	<p>ValGold is a mineral exploration and development company based in Ontario which holds a 2% NSR on the Garrison Gold Project on the “Golden Highway” east of Timmins, Ontario, a 100% interest in the Tower Mountain gold project near Thunder Bay, Ontario, and exploration projects in Venezuela.</p>
<p><i>Volcanic</i> 3,222,883 shares Current market value: \$757,000 Plus: warrants to purchase an additional 1,542,000 shares</p>	<p>Volcanic is a TSXV listed company focused on consolidating an under-explored gold district in West Africa.</p>

Property Interests

USA – Nevada – Bald Peak Property

In March 2017, the Company added to the Company’s portfolio of epithermal gold prospects in the Aurora gold camp, Nevada with the acquisition of the Bald Peak gold property from Ely Gold & Minerals Inc. (TSX-V: ELY) and its wholly owned subsidiary, Nevada Select Royalty Inc. Subsequently, the Company increased its land position by staking an additional 113 unpatented mining claims which are contiguous to the claims acquired from Ely Gold.

The Bald Peak Property currently consists of 151 unpatented mining claims in Mineral County, Nevada, and one mineral prospecting licence in Mono County, California. The Property now covers an 8 kilometre by 2 kilometre area of a fully un-eroded epithermal system.

The Bald Peak Property is an early stage, high-level epithermal gold prospect centrally located within a broad area of Miocene volcanic centers known as the Bodie Hills Volcanic Field (BHVF). Sinter terraces outcrop along the length of the Property, evidence that the epithermal system is not eroded beyond its paleo-surface and is thus likely fully preserved. The BHVF is host to several high grade gold mines, including the Aurora and Bodie mining districts, both of which are in close proximity to the Bald Peak Property and formed in a similar geological environment. Despite the Property’s proximity to several Au-rich mining districts, the area has seen limited exploration activity. Several operators have acquired the Property over the last 30 years and mapped alteration zones and various other criteria pertinent to epithermal gold discoveries. The area has seen very limited drilling however, and its potential remains untested.

Following acquisition, the Company has conducted geological mapping, and rock and soil sampling programs, the results of which work led to the staking of additional ground. Results of the mapping program better defined lithologic contacts across the Property at a project-scale, answered several questions that derived from the USGS 2015 map of the Bald Peak area and importantly identified new areas of high level banded veining, several areas of anomalous Au, Hg, As and Sb in soil and rock, and identified previously unmapped areas of hot spring related silica sinters. Along the eight kilometre NE-trending zone (which historically is the trend orientation along which historical gold deposits have been found in the region), the Company has collected 219 rock samples, and over 4,000 soil and stream sediment samples. Several new targets that warrant further exploration have been identified from the preliminary results of this work. To review results to date, please visit our web site.

The Company has consolidated the entire district and intends to employ a systematic exploration strategy. Management believes the Bald Peak prospect constitutes an excellent opportunity for making an epithermal gold discovery and that testing the system at appropriate depths beneath geochemically anomalous sinter terraces is key to making a discovery.

Quality Assurance / Quality Control

The work program at the Bald Peak Property was planned by Company personnel and implemented by Company personnel, consultants and contractors. Rock samples were collected by Company personnel and/or consultants. During the prospecting phase, suitable certified reference materials were added to the sample stream. Rock samples were delivered to ALS Chemex, prepared using method Prep-31, and fire assayed by method Au-ICP21, as well as analysed for multi-elements by method code ME-ICP61.

The soil survey was contracted to Ethos Geological. Soil samples were collected in kraft bags and sent in sealed containers to ALS Geochemistry, Reno, Nevada. All sample sites were labelled with flagging tape displaying their unique sample number. The samples were sieved to minus 180 microns (Prep-41), and then analyzed by ICP-MS for 51 elements (method AuME-TL43).

USA - Nevada – Spring Peak Property

In May 2016, the Company acquired an option to earn a 100% interest in the Spring Peak gold property in Mineral County, Nevada, from Kinetic Gold (US) Inc. The terms of the option agreement are described in the Company's December 31, 2016 annual consolidated financial statements.

The Spring Peak Property consists of 37 contiguous United States Federal Mineral Claims comprising 309 hectares located approximately 37 kilometres southwest of the town of Hawthorne, Nevada. The Property is situated in the historic Aurora-Borealis-Bodie mining district which lies within the Walker Lane gold trend of western Nevada. The gold deposits in the Aurora-Borealis-Bodie district occur as both high grade vein-hosted low sulphidation deposits (Aurora, Bodie), and as high-sulphidation alunite-kaolinite gold-deposits (Borealis). Total historical precious metal production along this trend, from the mid-19th century to the mid-1990s, has been estimated at 4.0 million ounces Au, and 11.2 million ounces Ag (MDA, 2002).

The Spring Peak Property is approximately 6 kilometres southeast of the historical open pit mines at Aurora. At Spring Peak, a sinter terrace is exposed overlying altered volcanoclastic deposits and basement Cretaceous granites (USGS, 2012). The sinter system contains anomalous concentrations of Au, Ag, Hg, Sb, and As. Recent ash fall deposits cover much of the area, but frequent vein float with multi-ppm gold concentrations can be found across the Property. The area was drilled with shallow holes in the 1980s, the majority of which were vertical. The sinter terrace and potential structures beneath it were never adequately drill tested. The Company believes the Property has the potential to host subvertical high grade veins as feeders to the sinter terraces.

The Company has completed a 13-line CSAMT survey (see news release dated October 19, 2016) and has generated new drill targets on the Spring Peak Property. Previous exploration activities by the Company include due diligence sampling of sinter terraces, and vein float on the Property, prospecting along the structure of interest, and conducting a soil sampling survey (100 metre x 25 metre grid oriented orthogonal to the NE-SW targeted structure).

The Company has completed all the necessary studies for its NEPA (National Environmental Policy Act) Plan of Operation to drill the Spring Peak Property. An authorization to commence work is expected early in 2018, and the Company intends to complete a first pass drilling program on the Property next year.

USA - Nevada – ABC Property

In 2016, the Company staked 122 contiguous United States federal mining claims covering approximately 992 hectares in in the historic Walker Lane Gold Trend in Mineral County, Nevada. The ABC Property is located along the structural trend that hosts the historical Aurora mining district, the Borealis mine and the historical Bodie mining camp in California.

Following detailed analysis and project ranking, the Company has decided to allow the ABC Property claims to lapse, in order to focus on higher priority targets in Nevada.

Mexico – Amalia Project

In June 2017, the Company signed a binding agreement with a private individual to option the 380-hectare Amalia Project which is host to high grade epithermal silver-gold mineralization. The Project is located approximately 25 kilometres SW of the historic Guadalupe y Calvo mining district in Chihuahua, Mexico. During due diligence evaluation the Company's geologists sampled bonanza grade outcrop containing 20.4 g/t Au and 5,360 g/t Ag from a 1.2 metre chip.

Following the signing of the option agreement, the Company staked an additional 10,000 hectares surrounding the Amalia Project, covering three new regional target areas. The Company established a 10 man camp at Amalia and completed an initial exploration program comprising geological mapping, prospecting and channel sampling of the main targets. Epithermal Au-Ag mineralization has been sampled by the Company in several veins, vein breccias and disseminated zones over 3.5 kilometres of strike length and a 600 metre vertical interval following the trace of a large regional fault zone.

Campamento Target

At the main target area, known as Campamento, a 150 by 300 metre zone of intense silicification, and brecciation with massive and stockwork veining has been mapped at the contact between the upper Rhyolite and lower Andesite volcanic sequence. The zone strikes roughly 350/70E.

101 continuous chip channel samples between 1 and 2 metres wide were sampled across the middle of the Campamento zone, as outcrop allowed, representing the full estimated width of the zone at 148 metres. The weighted average of all 101 samples was 0.20 g/t Au and 49 g/t Ag. The main mineralized interval graded:

62 metres at 0.43 g/t Au and 98 g/t Ag
including: 30 metres at 0.58 g/t Au and 151 g/t Ag

A second, 14 metre wide continuous chip sample (open to expansion) located 60 metres north of the main sample line, near a historic tunnel graded:

14 metres at 1.47 g/t Au and 167 g/t Ag
including: 7 metres at 2.37 g/t Au and 239 g/t Ag

Guadalupe Target

Located 700 metres southeast of Campamento, and 250 metres vertically below, the Guadalupe target includes a historic tunnel and shaft which expose a high-grade quartz sulphide vein breccia, hosted in andesite volcanics. The Company collected three continuous chip samples within the historic workings where the main vein is well exposed. The results include:

Guadalupe shaft: 7 metres at 3.62 g/t Au and 1,048 g/t Ag
including: 4 metres at 6.04 g/t Au and 1,702 g/t Ag
Guadalupe tunnel cross-cut: 7 metres at 2.4 g/t Au and 188 g/t Ag
Guadalupe tunnel 10m above cross-cut: 4 metres at 3.92 g/t Au and 888 g/t Ag

The sampling at Guadalupe shows consistent high grade over a vertical interval of approximately 60 metres, from the upper shaft to lower tunnel. The area around Guadalupe is steep and bush covered with limited outcrop, hence the extent of the mineralized zone is not yet known. The Company plans a soil sampling program in the area to identify extensions of the Guadalupe zone.

Dulces Target

Located 800 metres northeast of Campamento, at roughly similar elevation, the Dulces vein is exposed in an historic underground tunnel within an extensive area of argillic altered andesite volcanics. The vein varies from 1 to 1.5 metres and chip samples of the vein within the short 15 metre tunnel returned:

AM377: 1 metre at 34 g/t Au and 13 g/t Ag
AM378: 1 metre at 20.3 g/t Au and 44 g/t Ag
AM379: 1.5 metres at 114.5 g/t Au and 57 g/t Ag

The Company is currently negotiating access with the landowner for a trenching and sampling program at Dulces.

Exploration Summary

With Au-Ag mineralization occurring over a vertical interval of 600 metres at multiple targets over 3.5 kilometre strike length, management of the Company believes there is excellent potential for a significant discovery at Amalia. This initial program has returned encouraging high-grade results. The silica at the main Campamento target is high level with chalcedonic banded and colloform textures and typically low in sulphides. This contrasts with the Guadalupe area located 700 metres southeast of Campamento and vertically 250 metre below, where bonanza grade mineralization up to 16.4 g/t Au and 5,180 g/t Ag (1m sample) is hosted in sulphide rich veins and breccias. This transition from the rhyolite hosted high level chalcedonic veins to high grade sulphide rich veins within the lower andesites is observed at several of the major deposits of the Sierra Madre gold belt. The Company is currently advancing drill permitting and intends to target wide high grade mineralization within the predicted sulphide zone at depth (200 to 250 metres) below Campamento.

Quality Assurance / Quality Control

Sampling at Amalia followed a standardized protocol to ensure representative and unbiased quantities of material from across each sample. Chip samples were taken using hammer and chisel continuously along the walls of the underground mines and cleaned surface outcrops. Nominally widths were between 1 and 2 meters. Continuous chip samples were taken across strike and are the best estimate of true width.

The Company utilizes industry-standard QA/QC program. Rock samples were prepared and analyzed at ALS laboratories in Mexico and Canada. Blanks and certified reference standards are inserted into the sample stream to monitor laboratory performance and the results have been within acceptable limits.

Option Terms

The Company can earn a 100% interest in the Amalia Project by making an initial cash payment to the property owner of US\$5,000 (paid) and by completing staged payments over a period of five years totaling US\$845,000 cash and, subject to stock exchange approval, US\$15,000 in shares of the Company.

Mexico – Tarros Project

In October 2017, the Company signed an agreement with a private Mexican company to option the 473-hectare Tarros Project which is host to several large gold silver mineralized diatreme breccia bodies. The Tarros Project is located 50 kilometres north of the Company's Amalia Project in the Sierra Madre Gold Silver belt in the State of Chihuahua, Mexico.

The Tarros Project is apparently unexplored, apart from limited historic artisanal-scale mining of surface outcrops on several of the outcropping bodies. It has been reported that Noranda briefly held the property in 1992-1993 but no records of work are known. Epithermal Au-Ag mineralization has been sampled by the Company in several structural zones and breccias bodies within an area roughly 3.5 x 1 kilometres. During the Company's initial property visit, seven distinct breccias and structural targets were observed.

The Company's senior geologists visited the property in June 2017 during a regional prospecting trip and observed extensive exposures of highly altered explosive textured breccia and structural zones that were cemented by silica and iron oxides. The targets were pocketed with pits, tunnels, shafts, glory holes and open cavities where material had been removed by artisanal miners and processed for gold. 26 rock chip samples were collected from three target areas, of which 24 samples returned significant gold silver values. The average of all 26 samples assayed 1.42 g/t Au and 66 g/t Ag.

Option Terms

The Company can earn a 100% interest in the Tarros Project by making an initial cash payment to the property owner of US\$3,250 (paid) and by completing staged cash payments over a period of 4.5 years totaling US\$1,098,500.

Mexico - Tlacolula Property

The Company discovered silver mineralization in 2005 following a regional stream geochemical survey in various areas of the state of Oaxaca. An initial trenching program on the Tlacolula silver property defined a broad low grade silver/gold anomaly associated with opaline silica, indicating a high level system. In late 2009, the Company optioned the Tlacolula property to Fortuna and the option agreement was amended in December 2012

and in November 2014. The 12,642 hectare property is located 14 kilometres east-southeast of the city of Oaxaca and 30 kilometres northeast of Fortuna's 100%-owned San Jose silver-gold mine.

Under the terms of the option agreement as amended, Fortuna had the right until January 2017 to earn a 60% interest in the Tlacolula project by making certain cash payments and share issuances to the Company and by spending US\$2.0 million on exploration, which included a commitment to drill 1,500 metres within 12 months of issuance of a drill permit for the project. Pursuant to the option, the Company received US\$200,000 in cash and 34,589 shares of Fortuna.

Fortuna advanced the property with sampling and trenching but has been unsuccessful to date in obtaining social licence to conduct a drill testing program. As the deadline for meeting the required expenditures under the option agreement had lapsed in January 2017, the Company and Fortuna agreed to amend the option agreement so that Fortuna would acquire a 100% interest in the property. The sale of the property was completed effective July 31, 2017, with the payment by Fortuna to the Company's Mexico subsidiary of US\$150,000 in cash and 239,385 Fortuna shares, and granting the subsidiary a 2% NSR royalty. Fortuna retains the right to purchase one-half of the royalty (equal to 1%) by paying the Company US\$1.5 million.

The Company and Fortuna are related parties.

Mexico – Lithium Brine Projects

In September 2016, the Company granted to Advantage an option to earn up to a 70% interest in 47,000 hectares covering five lithium brine projects in the States of Chihuahua and Coahuila in northern Mexico. However, prior to commencing any exploration work on the projects, Advantage advised the Company in 2017 that it had decided to focus its efforts in countries other than Mexico and therefore terminated its option agreement. The Company subsequently dropped applications for mineral concessions totalling 37,000 hectares in Chihuahua State, but retains a 10,000 hectare concession at Salar Viesca in Coahuila State. The Company is identifying other lithium companies to initiate discussions on a joint venture on the project.

Highlights of the Company's Viesca lithium project include:

- The project is located in large, salar closed basins, in geological settings analogous to the Clayton Valley Basin, Nevada, host of Albemarle's Silver Peak lithium producing mine operation.
- The Company conducted controlled surface samples which delivered numerous anomalous lithium results including 189 ppm Li.
- Region is underexplored.
- Mexico is considered a mining friendly jurisdiction. The area has excellent infrastructure and is road accessible, allowing for potentially low exploration costs.

Key geographical highlights similar to Clayton Valley and/or associated with brine deposits:

- Located in a desert climate with historic evaporate ponds.
- Large closed basin salar targets.
- Suitable lithium source-rocks.
- Subsurface highly saline aquifers described in historic data.

Guatemala - Southeast Guatemala Ag-Au Epithermal Fields

As a result of continued uncertainty surrounding the granting of both exploration and exploitation concessions in Guatemala, and a general increase in the level of anti-mining activism in many parts of the country, the Company ceased its ongoing exploration activities in the country in the third quarter of 2013 though care and maintenance of the properties continue. Management will reassess the Company's plans for this country on a regular basis and exploration activities may be ramped back up if the mining investment climate improves. Discussions are underway with a number of potential partners to joint venture this ground.

Royalty Interests

Guatemala – Tambor Project Royalty

In 2012, the Company sold its interest in its subsidiary, Exploraciones Mineras de Guatemala S.A., which holds the Tambor gold project in Guatemala, to Kappes, Cassiday & Associates ("KCA"), giving KCA a 100% interest in the project. In part consideration therefor, KCA agreed that upon commercial production at Tambor, KCA would commence making royalty payments to the Company.

Commercial production commenced in December 2014 and royalty payments are now due to the Company based on the price of gold at the time and the number of ounces of gold produced as follows:

<u>Gold Price (US\$)</u>	<u>Per Ounce of Gold</u>
Below \$1,200	\$100
\$1,201 - \$1,300	\$125
\$1,301 - \$1,400	\$150
\$1,401 - \$1,500	\$200
\$1,501 and greater	\$250

up to a maximum of US\$10.0 million. After the US\$10.0 million has been paid and cumulative gold production from the Tambor Project has exceeded 100,000 ounces, the cash payments will be based on the then price of gold and the number of ounces of gold produced as follows:

<u>Gold Price (US\$)</u>	<u>Per Ounce of Gold</u>
Below \$1,500	\$25
\$1,501 - \$1,750	\$35
\$1,751 - \$2,000	\$40
\$2,001 and greater	\$50

Receipt of royalty payments by the Company commenced during the third quarter of 2015. To date, the Company has recognized net royalty income of \$1,530,555 of which \$746,375 has been received to date.

On May 11, 2016, KCA informed the Company that mining operations were suspended by the Supreme Court of Guatemala due to a lack of consultation by the Guatemalan Ministry of Mines with local indigenous people when the mine was permitted in 2011. To date, the Supreme Court has not made a decision on when the mine may re-open. The Company has allowed KCA to defer payment of the remaining receivable balance while KCA prepares a legal strategy to overturn the suspension of operations and seek compensation from the Guatemalan authorities, from which the Company would benefit as well. Due to these circumstances, for accounting purposes, a provision was recorded against the KCA receivable in the 2016 fiscal year.

Peru – Bayovar 12 Project Royalty

In April 2015, the Company purchased from Focus a production royalty, equivalent to a 2% net smelter return, on Focus’s 70% interest in future phosphate production from the Bayovar 12 project located in the Sechura district of northern Peru. The purchase price for the royalty was US\$1.0 million. Focus had the right until April 15, 2016 to buy back one-half of the royalty for US\$1.0 million, but did not elect to make such purchase. Should the Company decide at any time in the future to sell the royalty, Focus will retain a first right of refusal. In May 2016, Focus published a pre-feasibility study for production of phosphate rock concentrate from the Bayovar 12 project. The Company and Focus are related parties.

Nicaragua – San Jose Royalty

In 2013, an agreement was reached whereby the Company would sell to B2Gold its 40% interest in the San Jose and La Magnolia properties in consideration of a 2% NSR royalty on each property, and B2Gold would have the right to purchase one-half of each royalty for US\$1.0 million. The Company and B2Gold subsequently decided to relinquish the La Magnolia concession. Closing of the San Jose sale, and the royalty grant to the Company, took place on in 2015.

Outlook

The Company continues to conduct its property investigations in various jurisdictions and with various commodities but with a focus on gold and silver in Nevada and Mexico. The Company’s geologists are using a low cost and effective method of field testing targets that are generated through desktop research and through submittals.

Qualified Person: Bruce A Smith, M.Sc., MAIG., a member of the Australian Institute of Geoscientists, is the Company’s Qualified Person as defined by National Instrument 43-101, and has approved the disclosure of the technical information in this Interim MD&A.

Quarterly Information

The following table provides information for the eight fiscal quarters ended September 30, 2017:

Quarter ended	Sep. 30, 2017 (\$)	June 30, 2017 (\$)	Mar. 31, 2017 (\$)	Dec. 31, 2016 (\$)	Sep. 30, 2016 (\$)	June 30, 2016 (\$)	Mar. 31, 2016 (\$)	Dec. 31, 2015 (\$)
Royalty revenue, net	-	-	-	47,960	26,973	135,303	221,407	343,350
Investment and other income	1,973	2,438	4,049	4,689	4,764	2,930	685	18
Exploration expenditures	421,265	260,902	84,567	102,932	215,591	107,590	118,473	132,381
Net income (loss)	1,024,002	(569,184)	359,662	(1,101,528)	738,793	2,320,061	(95,060)	(842,842)
Basic and diluted income (loss) per share	0.01	(0.01)	0.00	(0.01)	0.01	0.02	(0.00)	(0.01)

The Company recorded royalty revenue from production at the Tambor Project up to the quarter ended June 30, 2016, the period in which mining operations were suspended. The royalty revenue recorded in the following two quarters was due to adjustments to income recorded in a prior period. The quarter ended September 30, 2017 recorded a net income due to a gain of \$1,658,928 on the sale of the Tlacolula property. The quarter ended March 31, 2017 recorded a net income due to a gain of \$606,664 from a property assignment agreement. The quarter ended September 30, 2016 recorded a net income due to a gain on the sale of available-for-sale investments of \$697,610 resulting from the disposition of B2Gold and Southern Silver shares and a gain of \$311,252 from

mineral property option agreement payments consisting of cash and common shares received from Advantage. The quarter ended June 30, 2016 recorded a net income due to the disposition of B2Gold and Southern Silver shares resulting in a gain of \$1,818,398 and a gain of \$520,727 on the reclassification of an investment.

Results of Operations

Quarter ended September 30, 2017

The quarter ended September 30, 2017 had a net income of \$1,024,002 compared to \$738,793 for the quarter ended September 30, 2016, an increase of \$285,209. The current quarter resulted in a net income position due to a gain of \$1,658,928 on the sale of the Tlacolula mineral property whereas the comparative quarter's net income position was due to a gain of \$697,610 on available-for-sale investments and a gain of \$311,252 from mineral property option agreements. The comparative quarter also recorded royalty income of \$26,973 whereas due to the suspension of Tambor operations in May 2016, no royalty income was recorded in the current quarter. The current quarter also recorded an impairment charge of \$147,188 on available-for-sale investments compared to no such charge in the comparative quarter. Exploration expenditures in the current quarter totaled \$421,265 compared to \$215,591 in the comparative quarter, an increase of \$205,674. Exploration expenditures include property investigation costs which relate to evaluating new opportunities and exploration activities on properties held by the Company.

General and administrative expenses for the quarter ended September 30, 2017 were \$87,236 compared to \$92,061 for the comparative quarter, a decrease of \$4,825. Notable cost decreases in the current quarter were in salaries and benefits and office and miscellaneous costs. Salary costs were lower in the current quarter due to the Company's portion of shared personnel costs being reduced while office costs were lower due to its portion of shared office lease costs also being reduced.

Nine month period ended September 30, 2017

The nine month period ended September 30, 2017 had a net income of \$814,480 compared to \$2,963,794 for the nine month period ended September 30, 2016, a decrease of \$2,149,314. The current period net income includes the gain on the sale of the Tlacolula property (as in the quarterly comparison) in addition to a gain of \$606,664 on a property assignment agreement with Volcanic and a gain on sale of available-for-sale investments of \$36,538. Similar to the quarterly comparison, the comparative period resulted in a higher net income due to a gain of \$2,688,336 on the sale of available-for-sale investments and gain of \$311,252 from mineral property option agreements in addition to a gain of \$598,772 on the reclassification of an investment in associate to an available-for-sale investment. Also similar to the quarterly comparison, there was no royalty income in the current period whereas there was \$383,683 recorded in the comparative period. Both periods recorded an impairment charge on available-for-sale investments, with the current period amount being \$382,940 compared to \$141,920 for the comparative period. Exploration expenditures in the current period totaled \$766,734 compared to \$441,654 in the comparative period, an increase of \$325,080.

General and administrative expenses for the current period were \$278,214 compared to \$343,015 for the comparative period, a decrease of \$64,801. All general and administrative expenses in the current period, except for regulatory fees and travel costs, were either similar or lower than those in the comparative period. Similar to the quarterly comparison for the same reasons, the most notable cost decreases were in office and miscellaneous and salaries plus also legal and audit fees. Legal and audit fees were lower in the current quarter due to the timing of audit fees.

Mineral Properties Expenditures

A summary of the Company's expenditures on its mineral properties during the period ended September 30, 2017 is as follows:

United States – A total of \$307,459 was incurred on property investigation and exploration related costs, of which \$14,050 was on general property investigation, \$33,505 on the Spring Peak property, and \$259,904 on the Bald Peak property. Acquisition costs totaling \$86,537 were also incurred on the Bald Peak property.

Mexico - A total of \$360,832 was incurred on exploration, property investigation, and miscellaneous administrative costs, of which \$177,985 was incurred on the Amalia property. Acquisition costs totaling \$13,348 were also recorded for the Amalia property.

Guatemala – A total of \$36,763 was incurred on property investigation and care and maintenance related costs.

Other – A total of \$61,680 was incurred on property investigation and care and maintenance related costs in regions other than USA, Mexico and Guatemala.

Further details regarding exploration expenditures for the periods ended September 30, 2017 and 2016 are provided in the schedules at the end of this Interim MD&A.

Liquidity and Capital Resources

The Company's cash and cash equivalents decreased from \$5.13 million at December 31, 2016 to \$3.53 million at September 30, 2017. As at September 30, 2017, working capital was \$9.04 million compared to \$8.22 million at December 31, 2016. Included in working capital is the value of the Company's available-for-sale investments which as at September 30, 2017, had a fair value of \$5.43 million compared to \$2.79 million as at December 31, 2016. A significant transaction that decreased cash and cash equivalents and increased available-for-sale investment value during the current period was the acquisition of 1,959,000 common shares of Volcanic at a cost of \$575,100 by way of private placements. Available-for-sale investments also increased in the current period due to the receipt of 1,263,883 common shares of Volcanic with a fair value of \$606,664 at the time of issuance, pursuant to a mineral property assignment agreement and the receipt of 239,385 Fortuna shares with a fair value of \$1,491,369 at the time of issuance, pursuant to the Tlacolula mineral property sale.

During the period ended September 30, 2017, the Company sold 93,000 Southern Silver shares for net proceeds of \$41,188, leaving a current balance of 1,407,000 Southern Silver shares held.

The Company held 2,973,275 common shares in Rackla with a fair value as at September 30, 2017 of \$341,927; however, the investment is being accounted for as an investment in associate, using the equity method, since the Company may be able to exercise significant influence on Rackla. Subsequent to September 30, 2017, the Company acquired an additional 1,000,000 common share in Rackla upon the exercise of share purchase warrants at a cost of \$50,000.

The Company did not earn any royalty revenue from the previously held Tambor Project during the current period as the operations at Tambor continue to be suspended.

The Company intends to use the proceeds from sales of its equity investments, option payments received and any royalty income payments it may receive to fund its exploration programs, investment opportunities, and general working capital requirements. The Company expects its current capital resources to be sufficient to carry out its exploration and investment plans and operating costs for the next twelve months.

Commitment

The Company has entered into an operating lease agreement for its office premises. The Company also rents space to other companies related by common directors and officers on a month to month basis, the amounts of

which are netted against rental expense; however, there are no commitments from these companies and thus the amounts presented below are the gross commitments. The annual commitments under the lease are as follows:

2017	\$	47,652
2018		190,608
2019		190,608
	\$	428,868

Related Party Transactions

See Notes 6, 10, and 13 of the condensed interim consolidated financial statements for the period ended September 30, 2017 for details of related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Options

As at November 27, 2017, the Company's outstanding share position is 86,675,617 common shares and the following incentive stock options are outstanding:

Number of options	Exercise price	Expiry date
1,245,000	\$0.29	January 7, 2020
100,000	\$0.36	May 25, 2020
100,000	\$0.69	September 23, 2020
1,885,000	\$0.20	December 12, 2022
1,740,000	\$0.15	October 18, 2026
5,070,000		

Investments in Associate

The Company currently has an investment in one associated company, Rackla, which is equity accounted for in the condensed interim consolidated financial statements.

See Note 9 of the condensed interim consolidated financial statements for the period ended September 30, 2017 for details regarding the Company's investment in associate.

Risks and Uncertainties

Royalty revenue

The Company cannot predict future revenues from or operating results of mining activity. Management expects future royalty revenues from the Tambor Project to fluctuate depending on the level of future production and the price of gold. The owner of the Tambor Project is not obligated to continue production from the Tambor Project and the Company will not be entitled to any compensation if this mining operation does not meet its forecasted gold production targets or if the mine operations are discontinued on a temporary or permanent basis. Risks that could negatively affect a mine's operations include, but are not limited to economics, lack of financial capital, floods, fire, mechanical malfunctions, social unrest, expropriation, environmental regulations, and legal and/or

political changes. The Tambor Project is currently subject to a suspension of operations imposed by the Supreme Court of Guatemala.

Competition

The Company faces competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Company is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Inability to dispose of illiquid securities

There is a possibility that the Company will be unable to dispose of illiquid securities held in its portfolio and if the Company is unable to dispose of some or all of its investments at the appropriate time, a return on such investment may not be realized.

Due diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Mineral property exploration and mining

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

If the Company does not satisfactorily complete its contribution requirements to any joint ventures it may be a party to, the Company's interest in a joint venture can be diluted to a point where all interest in the joint venture is forfeited.

Joint venture funding

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity price

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party. The Company's royalty revenue is derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices.

Financing and share price fluctuation

The Company has a limited source of operating cash flow which depends on royalty revenue from a property that is subject to suspension of operations and has no assurance that additional funding will be available to it when needed for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's available-for-sale investments and corresponding effect on the Company's financial position.

Political, regulatory and currency

The Company's mineral property interests are located in emerging nations. Properties in emerging nations may be subject to a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration and property maintenance expenditures in US dollars, Guatemalan quetzals, and Mexican pesos. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the US dollar, Guatemalan quetzal, or Mexican peso could have an adverse impact on the amount of exploration conducted.

Insurance

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons.

Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and social

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in some of the Company's areas of operations. Violence, kidnapping, theft and other criminal activities could disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

Mineral Properties Expenditure Detail (see following page)

Mineral Properties Expenditure Detail

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the nine months ended September 30, 2017

	USA		Guatemala		Mexico		Other	Total
	General	Mineral	General	Mineral	General	Mineral	General	
	Exploration	Properties	Exploration	Properties	Exploration	Properties	Exploration	
Exploration administration	\$ 716	\$ 483	\$ 13,665	\$ 10,623	\$ 11,763	\$ 6,012	\$ 5,012	\$ 48,274
Field and camp	-	16,983	-	-	4,438	45,952	-	67,373
Geochemistry	230	37,828	-	-	13,787	4,333	-	56,178
Geological services	11,130	183,510	3,838	-	87,578	90,490	56,668	433,214
Legal and accounting	-	-	2,137	695	19,620	-	-	22,452
Licenses, rights and taxes	-	28,308	-	-	7,518	5,886	-	41,712
Travel and accommodation	1,974	26,297	5,805	-	41,632	28,201	-	103,909
	14,050	293,409	25,445	11,318	186,336	180,874	61,680	773,112
Expenditures recovered	-	-	-	-	(6,378)	-	-	(6,378)
	\$ 14,050	\$ 293,409	\$ 25,445	\$ 11,318	\$ 179,958	\$ 180,874	\$ 61,680	\$ 766,734

INTERIM CONSOLIDATED SCHEDULE OF EXPLORATION EXPENDITURES

For the nine months ended September 30, 2016

	USA		Guatemala		Mexico	Other	Total
	General	Mineral	General	Mineral	General	General	
	Exploration	Concessions	Exploration	Concessions	Exploration	Exploration	
Exploration administration	\$ 2,563	\$ 96	\$ 19,147	\$ 6,455	\$ 1,778	\$ 6,821	\$ 36,860
Geochemistry	3,301	6,959	-	-	15,182	-	25,442
Geological services	58,564	19,928	20,685	-	76,492	108,548	284,217
Legal and accounting	-	-	1,520	568	5,742	635	8,465
Licenses, rights and taxes	-	35,797	524	845	-	-	37,166
Travel and accommodation	10,810	7,962	3,652	-	27,080	-	49,504
	\$ 75,238	\$ 70,742	\$ 45,528	\$ 7,868	\$ 126,274	\$ 116,004	\$ 441,654