Management's Discussion and Analysis
For the three and nine months ended March 31, 2018
(In Canadian dollars unless otherwise noted)

Date: April 20, 2018

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial position and results of operations for Apogee Opportunities Inc. and its subsidiaries (the "Company" or "Apogee Opportunities" or "Apogee") should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three and nine months ended March 31, 2018 and 2017 and the audited consolidated financial statements and notes thereto for the year ended June 30, 2017.

The Company's condensed interim consolidated financial statements were prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and have been prepared in accordance with accounting policies based on International Financial Reporting Standards ("IFRS") and International Reporting Interpretation Committee ("IFRIC") interpretations. The condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The reader should be aware that historical results are not necessarily indicative of future performance. All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. The Company's public filings can be viewed on the SEDAR website at www.sedar.com.

References to the first, second, third and fourth quarters of 2018 and 2017 mean the three months ended September 30, 2017 and 2016, December 31, 2017 and 2016, March 31, 2018 and 2017, and June 30, 2018 and 2017, respectively.

The Audit Committee of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three and nine months ended March 31, 2018 and 2017, and the Company's Board of Directors approved these documents prior to their release.

FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information under Canadian securities legislation. Forward-looking information often includes, but is not limited to, statements and assumptions with respect to the Company's proposed acquisitions, dispositions and strategy; the development potential and timetable of the Company's properties and projects; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can often, but not always, be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "may", "will", "continue", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "seek", "project", "predict", "potential", "targeting", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "should", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on research of the Company or its consultants, recent estimates of costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update its forward-looking information, whether as a result of new information, future events, or otherwise, except in accordance with applicable securities laws.

Company Overview and Strategy

Apogee Opportunities Inc. was incorporated under the laws of the Province of British Columbia to engage in mineral exploration and development. The Company was continued under the laws of the Province of Ontario on January 21, 2005. Apogee is listed on the TSX Venture Exchange under the symbol “APE”. The Company’s head office is located at 65 Queen Street West, Suite 805, Toronto, Ontario M5H 2M5.

The Company is currently focused on the evaluation of domestic and international opportunities. The current working capital has been and will continue to be used to pursue these opportunities, as well as for general corporate purposes. The Company continues a strategic review of all of its assets, while reducing expenditures in order to maximize shareholder value.

Exploration and Development Projects

Cachinal Silver Project, Chile

The Company holds an 80% participation interest in the Cachinal property located in northern Chile.

The Cachinal property is located in Region II, Chile, and is an advanced silver property with a NI 43-101 resource estimate dated March 4, 2008, comprising 18.41 million ounces of silver in the indicated resource category and an additional 3.02 million ounces of silver in the inferred resource category. The Cachinal deposit is a low-sulfidation epithermal system which has had past production of 32 million ounces of silver. Apogee believes there is good potential to expand the estimated resource.

The Company continues to pursue various strategic alternatives with respect to the Cachinal property.

Selected Annual Financial Information

The table below provides a summary of selected annual financial information for the years ended June 30, 2017, 2016 and 2015:

	June 30, 2017	June 30, 2016	June 30, 2015
Cash (used in) continuing operations	$ (290,490)	$ (296,084)	$ (477,645)
Cash from discontinued operations	-	-	151,458
Net income/(loss) from continuing operations	(449,376)	366,585	(997,900)
Net income from discontinued operations	-	-	1,101,457
Per share- basic and diluted (from continuing operations)	(0.05)	0.05	(0.14)
Per share- basic and diluted (from discontinued operations)	-	-	0.16
Total Assets	1,606,817	1,577,967	4,438,333
Working Capital	1,403,917	1,411,532	(955,927)

Selected Quarterly Financial Information

	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16	Jun-16
Net (loss)	$ (132,439)	$ (78,191)	$ (779,637)	$ (97,298)	$ (177,149)	$ (111,903)	$ (63,026)	$ (394,779)
Per share- basic and diluted	(0.01)	(0.01)	(0.09)	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)
Total Assets	1,359,069	1,827,301	1,808,711	1,606,817	1,922,648	2,696,574	1,919,205	1,577,967
Cash flow from/(used in) operating activities	(94,746)	(91,903)	(95,342)	(86,544)	1,272	(88,097)	(117,121)	(58,203)
Cash flow from investing activities	-	-	791,970	38,839	57,080	57,609	135,333	61,020
Cash flow from financing activities	-	-	-	-	-	-	-	-

Results of Operations

The following is a discussion of the results of operations of the Company for the three and nine months ended March 31, 2018 and 2017. They should be read in conjunction with the Company's consolidated annual financial statements for the year ended June 30, 2017 and related notes.

	Note	For the three months ended March 31, 2018	For the three months ended March 31, 2017	For the nine months ended March 31, 2018	For the nine months ended March 31, 2017
Expenses					
Consulting and management fees	11	$ 31,859	$ 30,000	$ 94,384	$ 84,541
Professional fees		7,000	6,250	21,500	27,250
Shareholder communications		150	410	781	18,662
Office and general expenses		9,741	2,860	30,538	8,767
Transfer agent and filing fees		6,195	1,628	7,083	10,699
Exploration and evaluation expenditures	6	69,909	84,513	102,415	112,344
Loss before the undernoted		(124,854)	(125,661)	(256,701)	(262,263)
Loss from sale of available for sale investments	5	-	(37,171)	(721,880)	(89,360)
Interest income		460	-	805	-
Foreign exchange loss		(8,045)	(14,317)	(12,491)	(453)
Net loss for the period		(132,439)	(177,149)	(990,267)	(352,076)
Loss for the period attributable to:					
Owners of the parent		(116,598)	(177,149)	(966,846)	(352,076)
Non-controlling interest		(15,841)	-	(23,421)	-
		(132,439)	(177,149)	(990,267)	(352,076)
Other comprehensive gain/(loss)		(367,336)	(708,272)	752,461	635,699
Net income/(loss) and comprehensive income/(loss) for the period		$ (499,775)	$ (885,421)	$ (237,806)	$ 283,623
Basic and diluted loss per share		$ (0.01)	$ (0.02)	$ (0.11)	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted		8,975,607	8,975,607	8,975,607	8,975,607

During the three months ended March 31, 2018, the Company incurred a net loss of $132,439, or $0.01 per share, compared to a net loss of $177,149, or $0.02 per share, in the same period of the prior fiscal year. The change is mainly a result of losses realized from the sale of investments to fund operations in 2017.

Cash Flows for the three months ended March 31, 2018

(Expressed in Canadian dollars $)	For the three months ended March 31, 2018	For the three months ended March 31, 2017
Net cash provided by (used in) operating activities	$ (94,746)	$ 1,272
Net cash provided by investing activities	-	57,080
Increase (decrease) in cash and cash equivalents	$ (94,746)	$ 58,352

Operating Activities

Cash of $94,746 used in operating activities during the three months ended March 31, 2018 was higher than the $1,272 provided by operating activities during the three months ended March 31, 2017, due to changes in non-cash working capital, in particular accounts payable and accrued liabilities.

Investing Activities

There was no cash provided by investing activities during the three months ended March 31, 2018. The $57,080 provided during the three months ended March 31, 2017 resulted from the sale of Prophecy Development Corp. common shares.

Financing Activities
There was no cash provided from financing activities during the three months ended March 31, 2018 or 2017.

Cash Flows for the nine months ended March 31, 2018

	For the nine months ended March 31,	
	2018	2017
Net cash (used in) operating activities	$ (281,991)	$ (203,946)
Net cash provided by investing activities	791,970	250,022
Increase in cash and cash equivalents	$ 509,979	$ 46,076

Operating Activities
Cash of $281,991 used in operating activities during the nine months ended March 31, 2018 was higher than the $203,946 used in operating activities during the nine months ended March 31, 2017, due primarily to operating activities being funded partially by an increase in accounts payable in 2017.

Investing Activities
Cash of $791,790 provided by investing activities during the nine months ended March 31, 2018 was higher than the $250,022 provided during the nine months ended March 31, 2017 as a result of an increase in the number of Prophecy Development Corp. shares sold. This is reflected in the higher cash on hand at March 31, 2018.

Financing Activities
There was no cash provided from financing activities during the nine months ended March 31, 2018 or 2017.

Exploration and Evaluation Expenditures

	For the three months ended		For the nine months ended	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
Claims maintenance	$ 49,972	$ 47,828	$ 51,384	$ 48,491
Legal fees	2,619	26,560	8,696	30,741
Administration	17,318	10,125	42,335	33,112
Total exploration and evaluation costs for the year	**$ 69,909**	**$ 84,513**	**$ 102,415**	**$ 112,344**

Exploration and evaluation expenditures are incurred in connection with the Company's Cachinal property. Expenses of an administrative nature included management fees and general overhead expenses.

Working Capital

As at March 31, 2018, the Company had a working capital surplus of $1,166,111 (June 30, 2017: $1,403,917), which included a cash balance of $532,664 (June 30, 2017: $22,685). The Company maintains most of its cash in Canadian dollars at a large reputable Canadian commercial bank in high quality short-term deposits or cash. The Company uses working capital to pay overhead and administration expenses and to fund exploration expenditures in Chile.

	March 31, 2018	**June 30, 2017**
Cash and cash equivalents	**$ 532,664**	$ 22,685
Receivables	**5,844**	5,017
Prepaid expenses	**7,560**	4,725
Available-for-sale investments	**813,001**	1,574,390
Current liabilities	**192,958**	202,900
Working Capital	**1,166,111**	1,403,917

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenue and spends its funds on its corporate, general and administrative obligations and to pursue and evaluate domestic and international opportunities. The Company incurred a net loss of $990,267 in the nine months ended March 31, 2018 (2017: $352,076) and used net cash of $281,991 in its operating activities (2017: $203,946). The Company believes that it has sufficient working capital for its short-term corporate obligations, but the raising of additional capital through equity or debt financing, likely within the Canadian public markets, will be required for future acquisitions, operations and work programs. There are no assurances that the Company will be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

As at March 31, 2018, the Company had no long-term debt and no agreements with respect to borrowings had been entered into by the Company.

Commitments and Contingencies

Environment

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Minority shareholder claim

In November 2016, the Company's 20% minority shareholder in its Minera Cachinal S.A. subsidiary formally requested reimbursement of US$429,788 ($554,000) for property-related costs it asserts were made on behalf of the Company. Management is evaluating the merits of the claim and believes the claim to be substantially without merit. No provision related to this claim has been recorded in these condensed interim consolidated financial statements.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the period were as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2018	**2017**	**2018**	**2017**
Short-term benefits	$ 21,000	$ 13,500	$ 63,000	$ 40,500

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the Company's board of directors having regard to the performance of individuals and market trends. More detailed information regarding the compensation of officers and directors of the Company is disclosed in the management information circular and such information is incorporated by reference herein. The management information circular is available under the profile of the Company on SEDAR at www.sedar.com.

Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after July 1, 2017. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2- Share-based Payments ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9- Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS16- Leases ("IFRS 16") was issued by the IASB on January 13, 2016 and will replace existing lease guidance in IFRS and related interpretations, and requires companies to bring most leases on-balance sheet. The new standard is effective for annual periods beginning on or after January 1, 2019.

IFRIC 22- Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

During fiscal 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. This included IAS 7. These new standards and changes did not have any material impact on the Company's financial statements.

Financial instruments

Financial assets and financial liabilities as at March 31, 2018 and June 30, 2017 were as follows:

March 31, 2018	Available-for-sale investments	Cash, loans and receivables, other financial liabilities	Total
Financial assets:			
Cash	$ -	$ 532,664	$ 532,664
Investments	813,001	-	813,001
Financial liabilities:			
Accounts payable and accrued liabilities	-	(192,958)	(192,958)

June 30, 2017	Available for sale investments	Cash, loans and receivables, other financial liabilities	Total
Financial assets:			
Cash	$ -	$ 22,685	$ 22,685
Investments	1,574,390	-	1,574,390
Financial liabilities:			
Accounts payable and accrued liabilities	-	(202,900)	(202,900)

The carrying value of cash, amounts receivable and accounts payable and accrued liabilities reflected in the consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Financial Risk Factors

The Company is exposed to a variety of financial risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments, such as forward exchange contracts, to hedge certain exposures.

Fair value hierarchy

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. With respect to credit risk arising from financial assets of the Company, which comprise cash and cash equivalents and minimal receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. Cash balances are held with high credit quality financial institutions. The credit risk of the Company is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through sales of investments and future equity or debt issuances.

The Company manages its liquidity risk by forecasting cash flows required for operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2018, the Company had current assets totalling $1,359,069 (June 30, 2017: $1,606,817 to settle current liabilities of $192,958 (June 30, 2017: $202,900).

Market risk and sensitivity

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's income or the value of its holdings of financial instruments.

a) Commodity Price Risk:
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals, specifically lead, zinc and silver. As the Company does not have producing assets, management believes this risk is minimal.

b) Foreign Exchange Risk:
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operating, exploration and administrative expenses in Chile on a cash call basis in United States dollars, which are then converted to Chilean pesos. Currently, the Company does not hedge its foreign exchange risk.

c) Interest Rate Risk
Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible" (assuming no expenditures are made) over the ensuing year. Since cash and cash

equivalents have varying terms and rates, sensitivity to a plus or minus 1% change in rates could affect its net loss by approximately $5,300 based on the cash and cash equivalents balance at March 31, 2018.

d) Equity Price Risk
The Company is exposed to market risk from changes in the fair value of its investments. At March 31, 2018, a 10% change in the market value of the Company's marketable securities would result in a gain/loss of approximately $81,000.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

There were no changes in the Company's approach to capital management during the nine months ended March 31, 2018 and 2017. The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, to the best of management's knowledge, the Company does not have any off-balance-sheet arrangements that have or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and evaluation of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Ultimate Realized Value of the Prophecy Common Shares

Given the materiality of the investment in Prophecy Development Corp. ("Prophecy") common shares, the financial condition of the Company is in part dependent upon the market value of the securities that comprise the Prophecy common shares and the value ultimately realized by the Company when the shares are disposed. The market value of the Prophecy common shares can be reflective of the actual or anticipated operating and business results of Prophecy and / or the general market conditions that affect Prophecy's sector. Various factors affecting Prophecy and its sector could have a negative impact on the Prophecy common shares and thereby have an adverse effect on the financial condition of the Company.

Liquidity Concerns and Future Financings

To remain solvent, the Company will require additional funds. The Company has limited financial resources and sources of operating cash flow and there can be no assurance that the Company will be successful in obtaining required financing as and when needed or that the terms of such financing will be favourable. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption.

Strategic Transactions

While the Company is actively pursuing prudent strategic transactions, readers are cautioned that there can be no assurance that such transactions will be completed as they are subject to various risks and uncertainties, many of which are beyond the Company's ability to control or predict. Such risks involve whether both parties satisfy all conditions set out in definitive agreements, whether all required approvals, including shareholder approval, are received and that all third-party consents, court, regulatory and other governmental approvals will be obtained, including the approval of the TSXV, and that all other conditions to the completion of transactions will be satisfied or waived. In addition, while the Company is continuously reviewing alternative strategic transactions with respect to its other assets, there are no assurances that such transactions will materialize or will be completed.

Nature of Mining, Mineral Exploration and Development Projects

Exploration, development and mining operations generally involve a high degree of risk and few properties that are explored, are ultimately developed into producing mines. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, power outages, labour disruptions, fire, flooding, landslides, cave ins, explosions, unusual or unexpected geological formations and other conditions such as formation pressures, the inability to obtain suitable machinery, equipment or labour, and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in work stoppages, damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. Substantial expenditures are required to establish proven and probable mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore, or that the funds required for development can be obtained on a timely basis. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. The economics of developing mineral properties are affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, many mining operations have ceased or been suspended or delayed because of operating costs proving to be greater than the projected price of production. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of management in all aspects of the development and implementation of the Company's business activities.

Mineral Resource and Mineral Reserve Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and actual events could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that is creating stricter standards, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or the prospects of such companies. There can be no assurance that an active trading market in the Company's securities will be established and sustained. Factors such as commodity prices, government regulations, interest rates, share price movements of peer companies and competitors, as well as overall market conditions, may have a significant impact on the market price of the securities of the Company.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. It is possible that the Company's mineral properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Political Risks

The operations of the Company are subject to risks normally associated with the conduct of business in South America and in particular, risks associated with business in Chile. Risks may include, among others highlighted herein, problems relating to labour disputes, delays in the approval of or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, foreign taxation, exchange controls, opposition to mining from environmental or other non-governmental organizations or changes in the political attitude towards mining, limitations on foreign ownership, limitations on repatriation of earnings, infrastructure limitations and increased financing costs. Exploration, development, production and closure activities in many countries are potentially subject to heightened political and social risks that are beyond the Company's control. These risks include the possible unilateral cancellation or forced re-negotiation of contracts, unfavorable changes in laws and regulations relating to foreign investment, royalty and tax increases, claims by governmental entities or indigenous communities, expropriation or nationalization of property and other risks arising out of foreign sovereignty over areas in which operations are conducted. The right to export silver and other minerals may depend on obtaining certain licenses or quotas, which could be delayed or denied at the discretion of the relevant regulatory authorities. In addition, the Company's rights under local law may be less secure in countries where judicial systems are susceptible to manipulation and intimidation by government agencies, non-governmental organizations or civic groups. There is no guarantee that the mine property could not be recovered or nationalized at any time.

The Company's ongoing and future success depends on developing and maintaining productive relationships with the communities (including indigenous peoples) and other stakeholders in its operating locations. The Company believes its operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development and other community benefits associated with payment of taxes. In addition, the Company seeks to maintain its partnerships and relationships with local communities and stakeholders. Notwithstanding the Company's ongoing efforts, local communities and stakeholders can become dissatisfied with its activities, which may result in civil unrest, protests, direct action or campaigns against it. Any such occurrences could materially and adversely affect the Company's financial condition, results of operations and cash flows.

Foreign Exchange

The Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. As the Company supports its operation through financing in Canadian dollars, a decline in the US dollar would result in a decrease in the real value of the Company's future revenues, and adversely affect its financial performance.

Uninsured Risks

The Company maintains insurance to cover normal business risks. The Company may, however, become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, land movements, earth works, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase projected costs.

Competition

The Company competes with many other mining companies that have substantially greater financial resources and technical facilities than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for exploration development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Dependence on Key Personnel

The Company is dependent on the personal efforts and commitment of a relatively small number of key personnel. The Company currently does not have key person insurance on these individuals. Due to the Company's relatively small size, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees required for the conduct of the Company's activities may have a material adverse effect on the Company's business or future operations.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms regarding such participation.

Litigation

Legal proceedings, with or without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort and the resolution of any legal proceeding to which the Company or one or more of its subsidiaries may become subject, could have a material effect on the Company's financial position and results of operations.

Remote Locations

The Company operates in remote locations and any interruption to the procurement of equipment or the flow of materials or services to the Company's properties could have an adverse impact on its future results of operations.

Outstanding Share Data

As of the date of this MD&A, 8,975,607 common shares of the Company were outstanding.

In addition, 1,123,077 warrants are outstanding with an exercise price of $3.25 and an expiry date of February 10, 2019. If exercised, 1,123,077 common shares would be issued for proceeds of $3,650,000.