TriMetals Mining Inc.

Year Ended December 31, 2018

Management's Discussion & Analysis ("MD&A")

INTRODUCTION

The following information, prepared as of March 28, 2019, should be read in conjunction with the audited consolidated financial statements of TriMetals Mining Inc. ("TMI" or the "Company") for the year ended December 31, 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in U.S. dollars unless otherwise indicated.

This MD&A contains forward looking statements. For a description of the assumptions made in developing the forward-looking statements and the material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see the "Cautionary notes" and the "Risks and uncertainties" sections below.

GENERAL

The Company is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project along the Nevada-Utah border. The Company also holds the large scale Escalones copper-gold project located in the world renowned Chilean copper belt and has been seeking compensation based on the fair market value of the expropriated Malku Khota project in Bolivia through an arbitration process which, on November 22, 2018, culminated in the Arbitration Tribunal of the Permanent Court of Arbitration issuing an award in favour of the Company for $29.1 million (including interest accrued to date).

The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

The Company's common shares and Class B shares trade on the Toronto Stock Exchange (the "TSX") under the symbols TMI and TMI.B, respectively, and the Company's common shares and Class B shares trade in the US on the OTCQX International Market as TMIAF and TMIBF, respectively. The Class B shares are entitled collectively to 85% of the net cash, if any, (after deducting all costs, taxes and expenses and the third-party funder's portion thereof) received by TMI from award or settlement in relation to the Company's subsidiary South American Silver Limited's arbitration proceeding against Bolivia for the expropriation of the Malku Khota project in 2012. The Class B shares have no interest in the other assets or properties of the Company.

PROJECTS

Gold Springs gold-silver project, USA

The Company holds a 100% interest in the 78 square kilometre Gold Springs gold-silver project located on the Nevada-Utah border. In addition to drilling, the Company has completed rock chip sampling, detailed target mapping, soil sampling, stream sediment sampling, and a property-wide LIDAR, aero-magnetic and ZTEM geophysical surveys. The ZTEM geophysical survey identified many structural features related to mineralization, and the Company has developed resources on the Jumbo (the North Jumbo and South Jumbo (Etna) resources), Grey Eagle and Thor trends. Geological work identified 26 surface targets with outcropping gold mineralization, the majority of which correspond to the ZTEM resistivity features.

The gold-silver mineralization at North Jumbo, Etna, Thor and Grey Eagle, remains open to expansion laterally and to depth as the drilling has typically only penetrated the top 150 metres vertically below the surface at Jumbo (maximum drilled depth of 280 metres) and 130 metres below the surface at Grey Eagle (maximum drilled depth of 262 metres).

2017 Resource Estimate

The Company contracted Global Resource Engineering, Ltd. who, on March 29, 2017, completed an updated pit-constrained resource estimate for the Jumbo North and Jumbo South (Etna) areas, the Grey Eagle area and the Thor area, at Gold Springs. The updated resource includes the assay information from the 2015 and 2016 drill programs.

Category	Area	Tonnage	Gold		Silver		AuEq*	
		Tonnes (000)	Grade g/t	Troy oz (000)	Grade g/t	Troy oz (000)	Grade g/t	Troy oz (000)
Gold Springs Property-Wide Resource – using a 0.25 g/t gold cutoff								
Measured		13,591	0.58	252	11.11	4,855	0.76	330
Indicated		16,245	0.53	276	9.08	4,741	0.68	353
M&I		29,836	0.55	528	10	9,596	0.71	683
Inferred		4,660	0.46	69	6.49	973	0.57	85
Jumbo Trend Resource - Jumbo North and Jumbo South (Etna), Utah								
M&I	Jumbo N	16,994	0.5	271	12.12	6,623	0.69	378
M&I	Jumbo S (Etna)	5,312	0.61	104	6.51	1,111	0.71	122
	Total	**22,306**	**0.52**	**375**	**10.79**	**7,735**	**0.7**	**500**
Inferred	Jumbo N	2,328	0.45	34	7.25	542	0.57	43
Inferred	Jumbo S (Etna)	1,435	0.5	23	5.27	243	0.58	27
	Total	**3,763**	**0.47**	**57**	**6.49**	**786**	**0.58**	**70**
Grey Eagle and Thor Resource, Nevada								
M&I	Grey Eagle	7,175	0.62	142	7.17	1,654	0.73	169
M&I	Thor	355	0.96	11	18.15	207	1.25	14
	Total	**7,531**	**0.63**	**153**	**7.69**	**1,861**	**0.76**	**183**
Inferred	Grey Eagle	875	0.43	12	6.37	179	0.53	15
Inferred	Thor	23	0.63	0	11.1	8	0.81	1
	Total	**898**	**0.43**	**13**	**6.49**	**187**	**0.54**	**16**

Numbers have been rounded, which may lead to some numbers not adding up exactly.

M&I: measured and indicated. The Inferred resource is in addition to the measured and indicated resource.

** AuEq: Gold equivalent - reflects gross metal content using a gold/silver price ratio of 61.9 and have not been adjusted for metallurgical recoveries.*
The 2017 Resource on the Gold Springs project was derived from the technical report "Amended Technical Report and 2017 Mineral Resource Gold Springs Project" authored by Global Resource Engineering, Ltd. (GRE) and Kurt Katsura, dated March 29, 2017 and filed on SEDAR on July 27, 2017.

Drilling
TMI completed 28 reverse circulation drill holes in 2017 for a total of 4,625 metres. All drilling was completed within the Jumbo trend as holes were located in and around the South Jumbo resource and in the Central Jumbo area. The geologic mapping and sampling supported by the ZTEM geophysical survey, indicates that the gold-silver bearing geological and geophysical settings that have been drilled at Jumbo may continue for approximately 5.5 kilometres along strike (the "Jumbo Trend"). The goal of the 2017 program was to expand the existing bulk-tonnage, heap-leachable mineral resource which is located around the historic Etna Mine (South Jumbo) and to try and intersect mineralization within the State Section target located in the middle of the Jumbo Trend (Central Jumbo). . Results from drill hole SS-17-001 drilled in Central Jumbo includes 21.3 metres @ 1.53 g/t Au and 2.5 g/t Ag. In addition, TMI reports results from the South Jumbo target in the historic Etna Mine area. Highlights from this drilling include 80.8 metres at 0.74 g/t Au and 7.2 g/t Ag in hole E-17-005 and 83.8 metres at 0.64 g/t Au and 6.5 g/t Ag in hole E-17-003, 32.0 metres at 0.53 g/t Au and 10.1 g/t Ag, in hole E-17-013, 29.0 metres at 0.52 g/t Au and 8.2 g/t Ag in home E-17-014, 39.6 metres at 0.55 g/t Au and 6.4 g/t Ag in hole E-17-015, 82.3 metres at 0.63 g/t Au and 11.6 g/t Ag in hole E-17-016, and 93.0 metres at 0.51 g/t Au and 5.9 g/t Ag in hole E-17-019.

Jumbo Trend

On March 2, 2017, the Company announced results from 3 holes drilled in the State Section target located in the central portion of the Jumbo trend (Central Jumbo). The best hole (SS-16-001) returned 12.2 metres at 0.79 g/t Au and 5.79 g/t Ag. This hole, located in the central portion of the Jumbo Trend between the North Jumbo resource area and South Jumbo (Etna target) resource area, intersected the mineralized system, again confirming the continuity of the mineralization flanking the 5.5 km long Jumbo Structural Trend resistivity high. Drilling has now indicated the presence of gold mineralization over approximately half of the 5.5 km Jumbo Trend.

On September 8, 2017 the Company announced the first results from the 2017 drill program. These holes were from the Central (SS-17-001 21.3 metres @ 1.53 g/t Au and 2.5 g/t Ag) and South Jumbo target areas which were located to test for the continuity of mineralization within the Jumbo trend and expand the Southern Jumbo resource, including 80.8 metres at 0.74 g/t Au and 7.2 g/t Ag in hole E-17-005 and 83.8 metres at 0.64 g/t Au and 6.5 g/t Ag in hole E-17-003.

On December 8, 2017 the Company announced additional results from the 2017 drill program. These holes were located in the Southern Jumbo area and continued to show the expansion of the resource and outline a higher-grade portion of the system with 16.8 metres at 1.67 g/t Au and 22.1 g/t Ag in hole E-17-017 and 12.2 metres at 1.53 g/t Au and 10.4 g/t Ag in hole E-17-019 reported.

On February 8, 2018 the final holes form the 2017 drill program were reported with home E-17-016 continuing to demonstrate the high-grade portion of the system as it returned 10.7 metres at 2.02 g/t Au and 25.2 g/t Ag.

Homestake

On November 2, 2017 the Company announced the acquisition of the historic Homestake patented claim block located 1,000 metres east of the Grey Eagle resource.

On November 16, 2017 the Company announced the first results from surface sampling on the newly acquired Homestake claim block. These results included numerous samples <10 g/t Au and demonstrated the potential to outline higher-grade material within these claims. In 2018 the Company completed detailed mapping of the Homestake claims which, along with additional sampling, has defined a high-priority drill target containing substantial gold grades.

Metallurgical Testing

Six mini-column (2 feet high) tests were completed in 2015 on six different types of mineralized materials from Grey Eagle and Jumbo. These tests included reagent variations to enhance silver extraction. The metallurgical report received from these tests indicated that, using a simple average, gold recoveries for the Grey Eagle and Jumbo areas were 77% and 68%, respectively. This does not take into account weighting of the recovery by proportion of type of mineralized material. Globally the recovery averaged 73% for gold at Jumbo and 72% at Grey Eagle. Silver recovery averaged 16% and 47% for Grey Eagle and Jumbo, respectively, which after adjusting for weighting by type of mineralized material equates to a 20% recovery at Grey Eagle and 40% at Jumbo. The cause for the lower silver recovery at Grey Eagle is unknown at this time. Additional metallurgical tests were completed to determine the grain size selection for large-column tests. These additional tests known as “bucket” tests were completed on nine types of mineralized materials at four different grain sizes with the largest being one inch. A summary of the results was reported in the PEA in August 2015. These results were used to choose the ¾-inch grain size for the large, full size (2-metre high and 4-inch diameter) cyanide column tests, similar sized material to that which would be used in a “heap leach” mine. Three full size column-tests were completed in 2016 on three different types of mineralized materials from Jumbo using ¾-inch material and covered a wide range of gold grades. Each material type was crushed to a P80 of ¾ inches, and loaded into the columns. These 3 types of mineralized materials used in the columns, of the 5 Jumbo mineralization types used in the 2015 PEA, represent approximately 73% of the Jumbo resource as presented in the 2015 PEA. The tests were conducted over a long period of time to look at extraction rates over the short term and long term after a "rest period" in which no additional cyanide solution was applied. The results suggest that higher recoveries than those used in the PEA may be possible both in gold and silver.

Permitting

The Company submitted a Plan of Operations ("PoO") to the US Bureau of Land Management ("BLM") Caliente Office of the State of Nevada on May 23, 2013 and to the BLM Cedar City Office of the State of Utah on April 7, 2014. At the time it was submitted, the PoO was the Company's proposal of exploration and resource expansion activities to be conducted in certain target areas of the Gold Springs project. The submission of the PoOs to the BLM offices triggered an Environmental Assessment ("EA") in each State. On March 27, 2014, the BLM Caliente Office of the State of Nevada issued a Finding Of No Significant Impact document ("FONSI") accepting TMI's EA covering the Nevada portion of the Gold Springs project (NR 14-07, April 3, 2014). On September 22, 2015, the BLM Cedar City Office of the State of Utah issued a FONSI accepting TMI's EA covering the Utah portion of the Gold Springs project (NR 15-11, September 29, 2015). The acceptance of the EAs by the BLM offices of both States, along with concurrence by each State's Environmental Departments, means that the Company's exploration and resource expansion activities included in the PoO are authorized to proceed in Nevada and Utah. Archeological studies and mitigation are still required in certain geographical areas covered by each State's respective EA before exploration activities start in these areas. During 2017, the Company completed the cultural mitigation work on most areas within the Jumbo Trend. In 2018 the Company negotiated a programmatic agreement covering the cultural mitigation activities in Utah which will streamline this work in the future. If the proposed exploration and resource expansion activities substantially change from the PoO, or if new areas not covered by the EA are to be disturbed by the activities, additional permitting from the BLM and State offices will be required. The Company submitted an amended PoO on April 13, 2017 to the BLM Cedar City Office of the State of Utah in order to substantially increase the exploration area within Utah. The amended PoO has been accepted and the FONSI was issued on September 20, 2017 by the BLM office in Cedar City. The Company envisions staged exploration and resource expansion activities in the 26 outcropping gold targets that are located in the Gold Springs project. Some of these future activities are included in the PoOs, both current and amended, but others would require further permitting.

Escalones copper-gold project, Chile

The Escalones copper-gold project is located in the central Chilean mining district which includes the nearby El Teniente deposit – the world's largest underground copper mine. The project is accessible by road and is approximately 100 kilometres south-east of Santiago. During 2017, the Company acquired mineral concessions immediately adjacent to the north and north-east of Escalones, increasing the property position controlled by the Company from 9,389 hectares to 16,189 hectares, of which 4,689 hectares are subject to the Boezio Option agreement.

In December 2018 the Company executed a letter of intent (the "LOI") with Wealth Minerals Ltd. (TSXV:WML) ("Wealth Minerals"), a Vancouver BC, Canada based mineral exploration company, with respect to the acquisition of the Company's 100% interest in the Escalones Copper Project in Chile (the "Escalones Copper Project") by a newly formed, copper-focused, subsidiary of Wealth Minerals ("Wealth Copper") that Wealth Minerals is to spin-out to its shareholders (the "Spin-Out"). Wealth Copper is anticipated to become a reporting issuer via completion of a reverse takeover transaction with a listed shell company.

Under the terms of the LOI, TMI's sale of the Escalones Copper Project was subject to the parties negotiating and executing a definitive agreement no later than February 28, 2019, and was also subject to Board and regulatory approval.

On March 14, 2019 the Parties signed an amended LOI whereby Wealth Minerals will transfer, to Wealth Copper, an option to acquire mining concessions in a Chilean copper project, and the date for executing a definitive agreement was amended to being no later than April 20, 2019.

Arbitration claim against the Bolivian government for the expropriation of the Malku Khota project
On October 23, 2012, the Company's wholly-owned Bermudian subsidiary, South American Silver Limited ("SASL"), delivered a formal letter to the State of Bolivia notifying it of an investment dispute between the Company and Bolivia. The dispute has arisen as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308 on August 1, 2012. The Decree revoked mining concessions held by the Company's Bolivian subsidiary, Compañia Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of SASL.

On November 22, 2018, an Arbitration Tribunal of the Permanent Court of Arbitration issued an award to SASL for $18,700,000 in respect of amounts invested and, approximately, a further $10,400,000 in interest thereon running from August 1, 2012 to present, for a total of approximately $29,100,000 million (the "Award").

On February 28, 2019, SASL, commenced court proceedings in Washington, DC, seeking a United States court judgment to recognize and enforce the Award in the United States.

SASL is committed to receiving payment of the Award from Bolivia and resolving the dispute in a manner that is mutually beneficial for both parties. However, SASL is willing to take further action to satisfy the award should Bolivia refuse to pay, or purposely delay payment, of the Award. In that regard, SASL has engaged a U.S. based law firm that is leading SASL's effort to domesticate and enforce its Award in the U.S.A.

SELECTED ANNUAL INFORMATION

The table below provides selected financial information derived from the audited consolidated financial statements of the Company for each of the past three years ended December 31.

	2018 **$**	**2017** **$**	**2016** **$**
Total Revenues	nil	nil	nil
Net Earnings (Loss)	2,591,479	(1,976,574)	(13,854,850)
Net Earnings (Loss) Per Share (basic and diluted)	0.01	(0.01)	(0.10)
Total Assets	44,798,033	51,124,502	50,259,357
Total non-current Liabilities	9,883,177	20,466,235	22,437,174
Deferred Exploration Expenditures	1,195,060	2,588,928	2,071,656
Dividends Declared	nil	nil	nil

The lower total assets as at December 31, 2018 is due to the change in accounting requirements for the Malku Khota project upon being issued the arbitration award, necessitating the derecognition of the Malku Khota project and recognition of an arbitration award asset at fair value. Accordingly, the Company recorded a loss of $1,147,249 on the derecognition of the Malku Khota project asset and a fair value loss on the arbitration award asset of $5,711,931 from the date of recognition to December 31, 2018.

The lower non-current liabilities balance as at December 31, 2018 is due to the conversion of the convertible debenture and the lower value recorded with respect to the Class B shares and other arbitration award liabilities.

The net earnings for 2018 includes net income for the fair value change in the Class B shares and arbitration award liabilities of $10,944,395. During the previous fiscal years, the Company recorded changes in fair value of the Class B shares of (2017 – income of $394,512 and 2016 – expense of $11,561,046).

RESULTS OF OPERATIONS

During the year ended December 31, 2018, the Company reported net earnings of $2,591,479 ($0.07 per share) compared to a net loss of $1,976,574 ($0.01 per share) reported during the year ended December 31, 2017.

	2018 **$**	**2017** **$**
General and administrative expenses (excluding share-based payments)	(1,239,016)	(1,932,460)
Interest and other income	48,792	20,224
Accretion and interest on convertible notes	(478,174)	(253,468)
Gain on extension of maturity date of convertible notes	221,443	-
Derecognition of Malku Khota project	(1,147,249)	-
Change in value of Class B shares, arbitration award assets and liabilities	5,232,464	394,512
Change in fair value of stock options exercisable into Class B shares	58,456	98,386
Other	2,422	(3,348)
Share-based payments	(107,659)	(300,420)
Net earnings (loss) for the year	2,591,479	(1,976,574)

The most significant accounts and /or variances in general and administrative are the reconnaissance and sundry exploration costs.

Reconnaissance and sundry exploration costs decreased during 2018 due to the termination of a water lease agreement. The Company acquired the rights to 1,658 acre feet of water per year for the Gold Springs project through a water lease during the year ended December 31, 2017 and the Company made payments of $375,000 under the terms of this agreement and received $70,630 in sublease payments. During the year ended December 31, 2018 the Company terminated the water lease agreement in an effort to reduce costs.

The Company gave notice to the convertible note holders that repayment of the Convertible notes would cause the Company financial hardship and exercised the right to extend the maturity date to July 23, 2020. A non-cash gain of $221,443 was recorded in connection with the extension of the maturity date. Shortly after the extension, the convertible note holders converted 100% of the outstanding balance of the convertible notes, into an aggregate of 33,398,487 common shares of the Company at an amended conversion price of Cdn $0.07 per common shares. This conversion prior to the July 23, 2020 maturity date accelerated the accretion charge during the year ended December 31, 2018.

The fair value of the Class B shares at each period-end is based on the closing price of the Class B shares on the TSX. During 2018, the closing price of the Class B share on the TSX decreased by Cdn. $0.16 and during 2017, the closing price of the Class B shares on the TSX decreased by Cdn. $0.02 per Class B share.

As at November 20, 2018, the date of the issuance of the award, the arbitration award asset related to the Malku Khota project is considered to be a financial instrument. IFRS required the Company to fair value the arbitration award asset, which had previously been carried at cost. The Malku Khota project was derecognized and the arbitration award asset was recorded resulting in a loss on derecognition of $1,147,249. The change in fair value of the Class B shares and the arbitration award assets and liabilities for the year ended December 31, 2018 resulted in a gain of $5,232,464.

During the year ended December 31, 2018, the Company granted 3,650,000 (2017 – 2,525,000) stock options to its directors, officers and consultants at an average fair value of $0.05 (2017 - $0.13).

CAPITAL EXPENDITURES AND INVESTING ACTIVITIES

Total exploration spending for year ended December 31, 2018 decreased to $1,195,060 from $2,588,928 incurred in the year ended December 31, 2017. The current year costs included $988,309 incurred at Gold Springs which included costs associated with geochemistry, supervision, analysis of exploration data, ongoing metallurgical testing and environmental studies for permitting. At Escalones, the Company incurred costs of $206,751 which mainly included land payments and supervision.

The comparative 2017 costs included $2,229,988 incurred at Gold Springs which included $339,725 in direct drilling costs as well as costs associated with geochemistry, supervision, analysis of exploration data, ongoing metallurgical testing and environmental studies for permitting. At Escalones, the Company incurred costs of $358,940 which mainly included land payments and supervision.

FINANCING ACTIVITIES

On March 20, 2019 the Company closed a private placement raising net proceeds of $456,500 from the sale of 9,200,000 common shares priced at $0.05 per share.

On April 5, 2018 the Company completed a private placement in three tranches for gross proceeds of $1,490,011 (Cdn. $1,904,250) through the issuance of 12,694,999 units at a price of Cdn. $0.15 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. $0.25 per share for a period of 24 months from the closing date of the private placement. The warrants are subject to an acceleration clause should the Company's common shares trade at a price of $0.35 or greater for 10 consecutive trading days. The Company incurred share issuance costs of $71,313.

On October 25, 2018, the Company completed a private placement in two tranches of 6,428,571 units for total gross proceeds of $343,900 (Cdn $450,000). Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. The Company incurred share issuance costs of $26,531.

During the year ended December 31, 2017, the Company completed in two tranches a private placement for gross proceeds of $2,853,977 (Cdn. $3,853,985) through the issuance of 16,058,270 units at a price of Cdn. $0.24 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. $0.30 per share for a period of 30 months from the closing date of the private placement. In connection with the private placement, the Company paid share issuance costs of $358,372 and issued 963,496 non-transferable compensation-warrants. Each compensation-warrant entitles the holder to purchase one unit, for a period of 30 months, at a price of Cdn. $0.25 per unit.

During 2017, the Company also received $312,253 (Cdn. $420,324) from the exercise of 4,203,243 share purchase warrants at Cdn. $0.10 per share.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial data for the last eight quarters ending with the most recently completed quarter, being the three months ended December 31, 2018:

Three months ended				
	December 31 2018 $	**September 30 2018 $**	**June 30 2018 $**	**March 31 2018 $**
Total revenues	nil	nil	nil	nil
Net earnings (loss)	2,794,321	(2,527,533)	1,303,959	1,020,732
Net earnings (loss) per share - Basic and diluted	0.01	(0.01)	0.01	-
Deferred exploration costs	24,511	303,088	459,482	407,979

Three months ended				
	December 31 2017 $	**September 30 2017 $**	**June 30 2017 $**	**March 31 2017 $**
Total revenues	nil	nil	nil	nil
Net earnings (loss)	658,241	(3,038,046)	(1,512,968)	1,916,199
Net earnings (loss) per share - Basic and diluted	0.00	(0.02)	(0.01)	0.01
Deferred exploration costs	202,622	1,130,664	621,699	633,943

During the quarter ended December 31, 2018, due to the arbitration award being granted, the Company derecognized the Malku Khota project and recognized an arbitration award asset, resulting in a $1,147,249 loss on derecognition. The Company also reported income of $4,602,641 in relation to the fair value changes in the Class B shares and the arbitration award assets and liabilities.

Net earnings (loss) has been volatile for the quarters ended September 30, 2018 and prior due to the change in fair value of the Company's Class B shares. In this regard, the Company recognized loss of 2,544,395 during Q3 of 2018 (Q2 2018 - income of $1,720,046, Q1 2018 – income of $1,454,172, Q4 2017 – income of $1,506,302 – Q3 2017 – loss of 2,633,162, Q2 2017 – loss of $905,399, Q1 2017 – income of $2,426,771, Q4 2016 - income of $3,153,301).

The Company conducted drilling programs at Gold Springs in Q3 2017.

FOURTH QUARTER

During the fourth quarter of 2018, the Company reported net earnings of $2,794,321 ($0.02 per share) compared to net earnings of $658,241 ($0.00 per share) reported in the fourth quarter of 2017. The 2018 fourth quarter included the Company derecognizing the Malku Khota project and recognized an arbitration award asset, resulting in a $1,147,249 loss offset with reporting income of $4,602,641 in relation to the fair value changes in the Class B shares and the arbitration award assets and liabilities. In the previous fiscal year's fourth quarter, the Company recognized income of $1,506,302 related to the fair value change of the Class B shares.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the year ended December 31, 2018 resulted in a net cash outflow of $525,399. The Company had a working capital deficit of $293,028 as at December 31, 2018. The Company had a working capital deficit of $1,263,269 as at December 31, 2017 which included the convertible notes with a principal amount of $1,700,000.

During the 2018 fiscal year, the Company notified the note holders that the maturity date would expose the Company to undue financial hardship. Accordingly, the maturity date was amended to July 23, 2020. Further, the convertible note holders converted 100% of the outstanding balance of the convertible notes, plus accrued interest, into an aggregate of 33,398,487 common shares of the Company at an amended conversion price of Cdn $0.07 per common shares, and the convertible notes and the security interests provided to secure payment of the convertible notes, were thereby extinguished.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop its mineral properties, and the ultimate realization of profits through future production from, or sale of, the properties. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its current operating expenses and to continue to explore its mineral properties by methods which could include debt refinancing, equity financing, forward sale agreements, sale of assets and strategic partnerships. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to continue to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

CONTRACTUAL OBLIGATIONS

The Company has the following contractual obligations as at December 31, 2018:

	Less than 1 year $	**1-3 years $**	**3-5 years $**	**Total due over next 5 years $**
Escalones Option Agreement[(1)]	400,000	1,000,000	3,000,000	4,400,000

[(1)] The Company is contractually obliged to make these payments only and as long as it is willing to exercise its option to acquire the Escalones property. The Company has the option to acquire the Escalones property by making total option payments aggregating $4,400,000, in stages, including a final option payment of $3,000,000 on June 30, 2022. Once Escalones is acquired and until exploitation begins the Company is required to make annual advance royalty payments of $200,000 for the first two years (increases to $300,000 annually thereafter).

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

Under the terms of the privileged Arbitration Costs Funding Agreement, the Company has given certain warranties and covenants to a third-party funder (the "Fund") and is obliged to pledge at least 35% of the shares of the Company's subsidiary which controls the Escalones property, as security for its obligations.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event of an award in favour of SASL and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, a contingent success fee payable to SASL's lead arbitration counsel, and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL by as much as one-third of the amount of any award in its favour.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event there is an award in favour of SASL and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, a contingent success fee payable to SASL's lead arbitration counsel and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL by as much as one-third of the amount of any award in its favour.

The holders of the Class B Shares have contingent rights to receive a pro-rata share of 85% of the net cash proceeds, if any (after deducting all costs, tax and expenses and the third-party funder's portion thereof), received pursuant to any award or settlement received pursuant to the arbitration proceedings.

RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer, the Chief Financial Officer and the remaining directors. The compensation paid or payable to key management for services during the year ended December 31, 2018 and 2017 is as follows:

	2018 $	**2017 $**
Directors' fees	59,775	69,300
Professional fees	69,412	16,229
Share-based payments	53,900	208,752
Wages and benefits	187,244	260,221
TOTAL	**370,331**	**554,502**

The Company's related parties consist of the Company's officers or companies associated with them and Gowling WLG (Canada) LLP which is a legal firm in which Tina Woodside, a director of the Company, is a partner. The Company incurred the following additional expenditures with related parties during the year ended December 31, 2018 and 2017 that were charged by related parties. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties.

	2018 $	**2017 $**
Consulting fees (1)	6,220	26,329
Consulting fees - mineral property costs	13,850	53,445
Professional fees (2)	113,222	108,125
Share issue costs	41,224	80,293
TOTAL	**174,516**	**268,192**

(1) paid to Felipe Malbran and to a company owned by David Dreisinger (a former officer of the Company) as compensation to serve as officers of the Company.

(2) paid to Gowling WLG (Canada) LLP.

Included in accounts payable at December 31, 2018 is an amount of $281,499 (December 31, 2017 - $94,936) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at December 31, 2018 consist of cash and cash equivalents, receivables, marketable securities, arbitration award assets, accounts payable and Class B shares and other arbitration award liabilities. Cash and cash equivalents, receivables and accounts payable are classified as amortized cost. Marketable securities are designated as FVTOCI and the arbitration award assets and Class B shares and other arbitration award liabilities are designated as FVTPL.

Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

Marketable securities, and the Class B shares are Level 1 fair values. The arbitration award asset and the other arbitration award liabilities are Level 2 fair values, which are derived from the valuation of the Class B shares.

Discussions of risks associated with financial assets and liabilities are detailed below:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in the U.S., Bolivia and Chile. As at December 31 2018 and 2017 the Company was not exposed to significant currency risk. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The majority of the Company's credit risk exposure arises from its cash balances which are held with a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. Cash equivalents consist of term deposits which have an original maturity of three months or less from the date of purchase and which are readily convertible into a known amount of cash. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its cash according to its operational needs and to maximize interest revenue. The Company is not significant exposed to interest rate risk.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. The Company's investment policy is to invest its cash in term deposits, with maturities of three months or less from the original date of acquisition. See Note 1. The Company's accounts payable are due on normal commercial terms.

OUTLOOK
The priorities of the Company for 2019 are to:

- Focus the Company's efforts toward the historic Gold Springs project in southern Utah and Nevada, and advance the exploration and geologic understanding of the project to expand the gold resource and mitigate technical risk;
- Complete the proposed transaction with Wealth Minerals Ltd. with respect to the divestiture of the Company's 100% interest in the Escalones Copper Project in Chile to a newly-formed, copper focused, subsidiary of Wealth.
- Engage in discussions with Bolivia to receive payment of the Award and concurrently take further action to satisfy the Award should Bolivia refuse to pay, or purposely delay payment, of the Award.
- Actively manage the business of the Company to preserve cash, efficiently and effectively invest in meaningful activities, and pursue accretive and strategic capital raising opportunities.

OFF-BALANCE SHEET ARRANGEMENTS
The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING
The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, engaged external consultants to evaluate the effectiveness of the Company's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators ("CSA")) as at December 31, 2018, and have concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under Canadian securities laws is (i) recorded, processed, summarized and reported within the time periods specified in Canadian securities laws and (ii) accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management has engaged external consultants, who used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") control framework (2013) to evaluate the effectiveness of the Company's internal control over financial reporting. As of December 31, 2018, management assessed the effectiveness of the Company's internal control over financial reporting and concluded that such internal control over financial reporting is effective and that there are no material weaknesses in the Company's internal control over financial reporting that have been identified by management.

As of the date of this report, management is not aware of any change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

It should be noted that all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgements are made in particular with regard to the Company's ability to continue as a going concern and the assessment of impairment to the carrying value of mineral properties.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Mining claims and deferred exploration costs

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

Management reviews the carrying values of its mining claims on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mining claims may not be recoverable and there is a risk that these costs may be written down in future periods.

Other critical estimates and assumptions are made in particular with regard to the assumptions used in calculating the fair value of the arbitration award assets and other arbitration award liabilities and the Class B share options and warrants and share-based payments.

Share-based payments

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

Arbitration award asset and other arbitration award liabilities

The fair value of the arbitration award assets and other arbitration award liabilities is estimated based on the quoted price of the Class B shares on the TSX. Changes to these estimates could result in the fair value of the Class B shares being less than or greater than the amount recorded.

Warrants
In determining the fair value of warrants included in unit placements, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

OUTSTANDING SHARE DATA
The Company has an unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

Type of Security	Common shares	Class B
	(number)	(number)
Issued and outstanding – March 28, 2019	239,169,464	116,375,152
Stock options	11,068,333	-
Share purchase warrants(1)	27,250,916	-
TOTAL DILUTION	**277,488,713**	**116,375,152**

(1) A total of 963,496 of the warrants are compensation warrants. Each compensation-warrant entitles the holder to acquire one unit consisting of one common share and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share

NEW ACCOUNTING STANDARDS

i) Standards adopted during the current year:

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, FVTOCI or FVTPL. IFRS 9 requires equity instruments to be measured at FVTPL unless an irrevocable election is made to measure them at FVTOCI, which results in changes in fair value not being recycled to profit or loss. The adoption of this standard did not have a material measurement or disclosure impact on the Company’s consolidated financial statements.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	**New classification IFRS 9**
Cash and cash equivalents	Loans & receivables	Amortized cost
Marketable securities	Available for sale	FVTOCI
Accounts receivable	Loans & receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Class B shares and other arbitration award liabilities	FVTPL	FVTPL
Stock options exercisable into Class B	FVTPL	FVTPL

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018. The marketable securities were previously accounted for as available for sale with changes in fair value and impairments recorded in other comprehensive income (loss). Further, upon derecognition cumulative gains and losses for available for sale financial assets were reclassified from other comprehensive income (loss) to profit or loss. In accordance with IFRS 9 cumulative gains and losses for FVTOCI financial assets will not be reclassified from other comprehensive income (loss) to profit or loss.

ii) Standards issued but not yet effective

IFRS 16, Leases

The new standard eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 is mandatory for annual periods beginning on or after January 1, 2019. The Company has assessed the expected impact of IFRS 16 on its consolidated financial statements and has concluded that there will not be a material impact.

RISKS AND UNCERTAINTIES

Exploration for and the development of mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The following risks are listed in the order of most to least significant:

Additional Funding

The Company currently has no revenues from operations. The Company has entered into the Arbitration Costs Funding Agreement with the Fund pursuant to which the Fund has agreed to fund most of SASL's costs and expenses related to its international arbitration proceedings against Bolivia. The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. In order to further fund the Company's business plans, additional funds will be required. The only sources of future funds presently available to the Company are the sale of additional equity capital, the sale of a future metal stream from a property, the sale of a production royalty, the entering into of a metal or concentrate off-take type agreement, the entering into a loan agreement, the sale or leasing of the Company's interest in a property, or the entering into of a joint venture arrangement or other strategic alliance in which the funding source could become entitled to an interest in one or more of the assets of the Company. The Company's capital resources are largely determined by the strength of the junior resource market and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There is no assurance that the Company will be successful in raising additional funds in the future. If the Company does not have the necessary capital to meet its obligations under its contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Company does not have sufficient funds to pursue its exploration and development programs and other plans, the viability of the Company could be jeopardized.

International Arbitration:

On November 22, 2018, the Arbitration Tribunal of the Permanent Court of Arbitration issued the Arbitration Award awarding SASL US$18.7 million plus compound interest thereon running from August 1, 2012 until paid in full. The Company is vigorously pursuing payment of the Arbitration Award from Bolivia. The Company, however, cannot provide assurances with respect to its ability to enforce the Arbitration Award against Bolivia and the amount or timing of payment to be received from Bolivia.

Class B Shares
The holders of the Class B Shares have contingent rights to receive a pro rata share of 85% of the net cash proceeds, if any (after deducting all costs, tax and expenses and the third party funder's portion thereof), received by the Company pursuant to the Arbitration Award or settlement agreement entered into in respect of the SASL's arbitration claim against the Government of Bolivia. The holders of Class B Shares will not realize any value if the costs of obtaining a cash payment on, or enforcement of, the Arbitration Award or settlement agreement exceeds the amount of such cash payment. SASL has sole discretion and decision-making authority over when and whether to pursue any particular course of action in respect of the Arbitration, including whether to negotiate or enter into a settlement agreement and including whether to accept non-cash consideration pursuant thereto.

In addition, the accrual of value on the Class B Shares may be significantly delayed. Even though the Arbitration Award has been issued on November 22, 2018, enforcing the Arbitration Award could take additional several years and the full amount of the Arbitration Award may not ultimately be received, which would reduce the amount, if any, payable to the holders of Class B Shares.

Commodity Price Risk
The profitability of the Company's operations, if ever established, 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, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and 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 prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company's control.

Dilution
The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional Common Shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. The Company may also issue a limited number of additional Class B Shares on the exercise of outstanding options or warrants. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new Common Shares should it desire to do so. In addition, if additional Common Shares or securities convertible into Common Shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of Common Shares.

Uncertainty of Resource Estimates
The Company announced resource estimates on the Gold Springs project and the results of its preliminary economic study on such project. The Company has announced resource estimates for the Escalones Project. The statements of mineral resources disclosed are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Until they are categorized as "mineral reserves", the known mineralization at each of the Escalones and Gold Springs projects is not determined to be economic ore. The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources.

Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Such estimates necessarily include presumptions of continuity of mineralization which may not actually be present. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit. Greater assurance will require completion of final comprehensive feasibility studies that conclude a potential mine at the Escalones or Gold Springs project is likely to be economic, but such studies remain subject to the same risks and uncertainties.

Exploration Stage Operations
The Company's operations are subject to all of the risks normally associated with the exploration for and the development of mineral properties. The Escalones and Gold Springs projects are still in the advanced exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain necessary permits, adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern". The recoverability of the carrying value of its mineral properties and the Company's continued existence is dependent, in part, upon the preservation of its interest in its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Portions of the Company's interest in the Escalones project and Gold Springs Project are subject to option or lease agreements which require the Company to make periodic payments over a varying number of years to maintain its interest in those portions of those projects. The Company can cancel this agreement at any time without completing the remaining payments and without further obligation.

Exploration and Operation Risks
In common with other enterprises undertaking business in the mining sector, the Company's mineral exploration and project development activities are subject to conditions beyond its control. The success of the Company will be dependent on many factors including: the discovery and/or acquisition of mineral reserves and mineral resources; the successful conclusions to feasibility and other mining studies; access to adequate capital for project development and sustaining capital; design and construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to properties; obtaining permits, consents and approvals necessary for the conduct of exploration and potential

mining operations; complying with the terms and conditions of all permits, consents and approvals during the course of exploration and mining activities; access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified employees, contractors and consultants; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the ability to access appropriate road and port networks for shipment of any mineral production. There can be no assurance that the Company will ever be able to develop any of its mineral properties at all or on time or on budget. Should any of these events occur, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Although the Company has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations, accidents, environmental hazards or degradation, unusual and unexpected geological formations, seismic activity, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavorable operating conditions and losses may still occur.

Permits and Government Regulation
The Company requires licenses and permits from various governmental authorities in Nevada and Utah to carry out exploration and development at Gold Springs. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The mineral exploration activities of the Company are also subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out substantially in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Environmental Regulations
The Company's activities are subject to foreign environmental laws and regulations which may materially adversely affect its future operations. These laws and regulations control the exploration and development of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands and glaciers. These laws and regulations will require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

The Company cannot predict what environmental legislation or regulations will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or regulatory agencies or stricter interpretation of existing laws, may materially adversely affect the Company's future operations.

Mineral exploration and development in the United States are subject to various U.S. federal and state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties. There can be no assurance that the Company will be able to meet all the regulatory requirements in a timely manner or without significant expense or that the regulatory requirements will not change to prohibit the Company from proceeding with certain exploration and development.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Boezio Option grants the Company the right to earn a 100% interest in a significant portion of the Escalones Project, but to earn its full interest in that portion of the property the Company is required to make certain cash payments as more fully described in the Company's financial statements. Similarly, portions of the Gold Springs Project, including the Jumbo target where the Company has a resource estimate, are subject to option or lease agreements requiring cash payments. If the Company fails to make these payments, the Company may lose its right to that portion of the property and forfeit any funds previously expended to acquire such interest.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company.

Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

Uninsurable Risks
The Company maintains liability, property and other insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it is not insured or which it may have elected not to insure against because of high premium costs or other reasons.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences, may occur. It is not always possible to fully insure against such risks and the Company may decide not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Expected Continued Operating Losses
The Company has experienced losses from operations in previous financial years and had an accumulated deficit of US$75,829,541 million as of December 31, 2018. The Company expects to incur losses for the foreseeable future.

No History of Dividends
The Company has never paid a dividend on its Common Shares and does not expect to do so in the foreseeable future. The Company intends to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant. Accordingly, it is likely that for the foreseeable future holders of Common Shares will not receive any return on their investment in the Common Shares other than possible capital gains.

Political Risk
Exploration in Chile and the ultimate settlement of the arbitration award with Bolivia expose the Company to risks that may not otherwise be experienced if operations were domestic. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and future mine development opportunities.

The Company's operations and investments may be adversely affected by political instability and legal and economic uncertainty that might exist. The risks associated with the Company's foreign operations may include political unrest, labour disputes, invalidation of governmental orders, permits or agreements, war, civil disturbances, criminal and terrorist actions, arbitrary changes in laws, regulations and policies, taxation, price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, import or export restrictions, opposition to mining from local, environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports, government participation, royalties, duties, rates of exchange, high rates of inflation and increased financing costs, currency fluctuations, and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation. These risks may limit or disrupt the Company's projects or operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

Litigation Risk

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Cautionary note regarding forward-looking statements

Certain statements contained herein constitute "forward-looking information" or "forward-looking statements" under applicable securities laws ("forward-looking statements"). Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "will", "may", "expand", "continue", "estimated", "potential", "contingent", "develop", "plan", "future", "indications", "further", "could", "would', "expected", "nearing", "believes", "envisions", "ongoing", "possible", "creating", "advancing", "realization" and "pursuing" and similar expressions. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates, preliminary economic assessments, and the interpretation of exploration programs, drill results and metallurgical testing may also be considered as a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present and economically mineable if and when a project is actually developed.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, uncertainties associated with the settlement of the arbitration award with Bolivia, management's expectation with regard to the final amount of costs, fees and other expenses and commitments payable in connection with the arbitration, and any inability or delay in the collection of the value of any award or settlement, and risks of the mineral exploration industry which may affect the advancement of the Gold Springs or Escalones projects, including possible variations in mineral resources or grade, recovery rates, metal prices, capital and operating costs, and the application of taxes, availability of sufficient financing to fund further required work in a timely manner and on acceptable terms, availability of equipment and qualified personnel, failure of equipment or processes to operate as anticipated, changes in project parameters as plans continue to be refined; and other risks more fully described in the Company's Annual Information Form filed and publicly available on SEDAR at www.sedar.com. The assumptions made in developing the forward-looking statements include: the ability of the Company to realize value from the settlement of the arbitration award with Bolivia, and the Fund honoring its contractual commitments; the accuracy of current resource estimates and the interpretation of drill, metallurgical testing and other exploration results; the continuing support for mining by local governments in Nevada, Utah and Chile; the availability of equipment and qualified personnel to advance exploration projects; and execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of March 28, 2019.

Readers are also cautioned that the preliminary economic assessments in this MD&A are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the results indicated in the preliminary economic assessments will or could be realized. Mineral resources that are not mineral reserves do not have economic viability.

Cautionary note regarding reserve and resource estimates

The material in this MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this MD&A have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. The estimation of quantities of resources and reserves is complex, based on significant subjective assumptions and forward-looking information, including assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Changes in data and/or assumptions could cause reserve estimates to substantially change from period to period. No assurance can be given that the indicated level of mineral will be produced. Actual production could differ from expected production and an adverse change in mineral prices could make a reserve uneconomic to mine. Variations could also occur in actual ore grades and recovery rates from estimates.

Other information

Additional information related to the Company, including the Company's Annual Information Form and press releases, are available for viewing on SEDAR at www.sedar.com and at the Company's website at www.trimetalsmining.com.