

TriMetals Mining Inc.
Third Quarter Ended September 30, 2017
Management's Discussion & Analysis ("MD&A")
November 10, 2017

Introduction

The following information, prepared as of November 10, 2017, should be read in conjunction with the unaudited condensed interim consolidated financial statements of TriMetals Mining Inc. (“TMI” or the “Company”) for the three and nine months ended September 30, 2017, as well as the audited consolidated financial statements for the year ended December 31, 2016 and the related management’s discussion and analysis (the “Annual MD&A”). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as applicable to interim financial reporting. All amounts are expressed in U.S. dollars unless otherwise indicated.

The Company’s critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company 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 “Risks and uncertainties” sections in the Annual MD&A and 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 is seeking compensation based on the fair market value of the expropriated Malku Khota project in Bolivia through an arbitration process.

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. 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 any 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.

All references to the Company include TMI and its subsidiaries unless the context requires otherwise and all references to the business of the Company include the business conducted by TMI and its wholly-owned subsidiaries, currently and prior to incorporation or acquisition.

On October 20, 2017 the Company appointed Rebecca Moriarty as Chief Financial Officer and accepted the resignation of Mr. Matias Herrero who has accepted a position in another company. Mr. Herrero had been the Company’s CFO since 2012 and the Company wishes him the very best in his future endeavors.

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, preliminary 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 and 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. (NR 17-05, March 29, 2017).

Category	Area	Tonnage Tonnes (000)	Gold		Silver		AuEq*	
			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								
Category	Area	Tonnage Tonnes (000)	Gold		Silver		AuEq*	
			Grade g/t	Troy oz (000)	Grade g/t	Troy oz (000)	Grade g/t	Troy oz (000)
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.

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.

*Gold equivalent (AuEq) reflect gross metal content using a gold/silver price ratio of 61.9 and have not been adjusted for metallurgical recoveries.

Drilling

The results from the 2017 drill program at the Gold Springs project (NR 17-13) includes the first 2017 hole from the Central Jumbo area located 1,000 metres south of the Jumbo resource and 600 metres northeast of the South Jumbo resource (Etna). Results from the first hole (SS-17-001) drilled in this area includes 21.3 metres @ 1.53 g/t Au and 2.5 g/t Ag. In addition, TMI reports results received to date 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.

In 2016, the Company completed 43 drill holes totalling 23,115 feet (7,046 metres) of reverse circulation (“RC”) drilling at Gold Springs. The program focused first on the vein system of the Thor structural trend (“Thor Trend”) located in the Nevada side of the project which exhibits higher-grade surface vein mineralization than the average grade of the Company’s existing resource. Fourteen holes were drilled in the Thor Trend as part of the 2016 drill program. Following initial drilling at the Thor Trend, the drill program focused on the Jumbo Trend on the Utah side of the project. The ZTEM geophysical survey, completed in 2011, 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”), which remains largely untested. The goal of the 2016 program was to expand the existing bulk-tonnage, heap-leachable mineral resource which is located on the northern end of the Jumbo Trend (North Jumbo) to the north and south over approximately 1.4 kilometres of strike-length. Additional holes were located along the 5.5-kilometre Jumbo Trend within the State Section target located in the middle of the Jumbo Trend (Central Jumbo) and the Etna target located in the southern end of the trend (South Jumbo). Twenty-nine holes were drilled in the Jumbo Trend as part of the 2016 drill program.

Jumbo Trend

The results of the first 13 holes from the 2016 drill program at North Jumbo (NR 16-22, October 26, 2016 and NR 16-27, December 14, 2016) demonstrated an extension of the mineralized zone to the south and to the east of the North Jumbo area (northern end of the Jumbo Trend). Five holes intercepted strong mineralization with a consistent set of results above 1 g/t AuEq¹.

Four additional holes were drilled on the northern end of the North Jumbo target (NR 16-28, December 16, 2016) to extend and fill-in mineralization that was drilled in 2014 and 2015. These 4 holes showed that the mineralization of North Jumbo continues further to the north and included some high grade near surface mineralization. The best hole of this round was J-16-010 which intercepted 4.6 m @5.4 g/t AuEq¹.

On January 11, 2017 (NR 17-01) and on March 2, 2017 (NR 17-03) the Company announced a total of 8 drill results from South Jumbo (Etna Target) located towards the southern end of the Jumbo Trend, around the historic Etna mine, 1.5 km south of the North Jumbo mineral resource area. These holes, most of which ended in mineralization, demonstrated the existence of an open-ended zone of near surface, higher-grade gold mineralization than has typically been drilled in the past. This gold zone extends for 400 metres and is open along strike both to the north and south, and to depth. Some of the intercepts at South Jumbo include drill hole E-16-005 with 150.9 m @ 1 g/t AuEq¹ (0.87 g/t Au and 7.78 g/t Ag) including 18.3 m @ 3.84 g/t AuEq¹ (3.46 g/t Au and 23.39 g/t Ag) and E-16-004 with 24.4 m @ 2.22 g/t AuEq¹ (2.04 g/t Au and 11.49 g/t Ag).

On March 2, 2017 (NR 17-03), the Company also 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 January 27, 2016, the Company announced that it had acquired the last remaining block of the Jumbo trend, a quarter section encompassing the historic Etna mine.

Thor

On March 1, 2016, the Company announced the completion of the analysis of exploration data on and around the patented Talisman claim which includes portions of the historic Thor Vein located in Nevada very close to the Utah border. The analysis of exploration data identified high-priority drill targets defined by a combination of drill hole, outcrop, and float sample assays over a strike length of 1,100 metres. Geophysics indicate that the entire vein system

¹ Gold equivalent (“AuEq”) using a gold/silver price ratio of 61.9 and not adjusted for metallurgical recoveries

forming the Thor Trend may extend for 1.6 km and the drill results, surface geology and sampling indicate there may be more than one mineralized vein zone within the system.

On June 24, 2016, the Company started a trenching program designed to expose the vein systems in the Thor Trend which contain multi-gram samples and better understand these systems and potentially expose additional veining in areas of post-mineral cover. On August 15, 2016, the Company announced the results of the trenching program in which several new vein systems were exposed (See NR 16-19, dated August 15, 2016).

On July 26, 2016, the Company started its 2016 drill program at the Thor Trend and 14 RC drill holes were completed as part of the program. All 14 holes intersected mineralized vein material. Together with 7 historic intercepts, the results of the 14 holes established the continuity of a 400-metre segment of the Thor Trend. The best hole drilled at Thor in the 2016 drill program was T-16-001 which intercepted 7.6 metres of 44.8 g/t gold at depth of approximately 180 metres (including 1.5 metres averaging 7 oz./t gold) and 5.2 g/t AuEq¹ over 6.1 metres near-surface (See NR 16-20 dated August 30, 2016).

The relatively narrow higher-grade veins at Thor are of interest for further development of an at-surface, higher-grade resource that could be used for a starter-pit and which has the potential to positively impact the project economics described in the Gold Springs PEA.

2015 Preliminary Economic Assessment Update

On August 12, 2015, the Company announced the filing on SEDAR of an updated Preliminary Economic Assessment (“PEA”) of the Gold Springs project (NR 15-10, dated August 12, 2015). The 2015 resource estimate which supports the PEA includes the assay information from drill holes completed through 2014. In 2017, the Company updated the Gold Springs’ mineral resource estimate by including the drilling information through 2016, but it has not updated the PEA. The 2017 mineral resource estimate increased in both tonnage and grade from 2015 and therefore it does not have a negative impact on, or otherwise adversely affect, the mineral resource used for the PEA.

The PEA base-case² assumes contractor mining, uses a price of gold of \$1,300/oz and a price of silver of \$21/oz, and projected metal recovery rates of 73% for gold at Jumbo, 72% of gold at Grey Eagle, 40% for silver at Jumbo and 20% for silver at Grey Eagle. The base-case includes a 15,000 tonne-per-day mine plan of 9 years with a 2:1 strip ratio; heap-leachable, open-pit operation using the Merrill-Crowe metal-recovery process. The PEA yields a pre-tax NPV³ of \$137.4 million (after-tax \$92.1 million), a pre-tax IRR of 49.9% (after-tax 35.8%), cash operating cost of \$669/Au³ oz and a fully-loaded cost of \$863/Au⁴ oz. The base-case requires a pre-production capital cost of \$55 million (including a \$6.4 million contingency) and on-going capital cost of \$24.8 million (including a \$3.7 million contingency). Additional drilling at Gold Springs has the potential to continue to expand the resource estimate, and significantly enhance project economics in the PEA.

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

¹ Gold equivalent (“AuEq”) using a gold/silver price ratio of 61.9 and not adjusted for metallurgical recoveries

² This information was derived from the Technical Report Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA dated and filed on SEDAR on August 12, 2015, authored by Global Resource Engineering Ltd. (“GRE”) and Kurt Katsura.

³ Cash Operating cost per gold ounce is net of silver credit and includes mining, processing, general and administrative and operating cost contingency; Fully-loaded cost per gold ounce includes Cash Operating cost per gold ounce plus sustaining capital, federal, state and local taxes and does not include initial capital. The portion of the project subject to the PEA does not have overriding royalties.

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 (NR 16-23, dated November 2, 2016).

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. 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 recently submitted an amended PoO 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 Company is awaiting the final issuance of a FONSI. 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.

On August 12, 2013, the Company filed a NI 43-101 Technical Report which was later amended and refiled on July 11, 2014 that includes an updated resource estimate for Escalones (See News Releases 13-13 dated June 28, 2013 and 13-17 dated August 12, 2013). The updated resource estimate, which was prepared by Jeffrey Choquette and Jennifer J. Brown, both of Hard Rock Consulting, LLC, who are both “qualified persons” as defined in NI 43-101 and “independent” of the Company as defined in NI 43-101, is based on 24,939 metres of drilling carried out on Escalones to date and is as follows (note that Indicated resource is in addition to the Inferred resource):

- An Indicated resource of 232.6 million tonnes of mineralized material containing 1.6 billion lbs. of copper, 498,012 oz. of gold, 4.9 million oz. of silver and 31.9 million lbs. of molybdenum, at a grade of 0.31% copper, 0.07 g/t gold, 0.66 g/t silver and 0.006% molybdenum using a 0.25% Cu Equivalent cut-off grade. This is a copper-equivalent¹ content of 1.9 billion lbs. of copper grading 0.38%.
- An Inferred resource of 527.7 million tonnes of mineralized material containing 4.0 billion lbs. of copper, 609,437 oz. of gold, 14.4 million oz. of silver and 79.5 million lbs. of molybdenum at a grade of 0.34% copper, 0.04 g/t gold, 0.85 g/t silver and 0.007% molybdenum using a 0.25% Cu Equivalent cut-off grade. This is a copper-equivalent¹ content of 4.7 billion lbs. of copper grading 0.40%.

The Escalones deposit remains open to expansion laterally and at depth. Interpretation of ZTEM resistivity and aeromagnetic surveys show several large areas of untested conductivity and magnetic anomalies which may represent areas of potential additional mineralization.

¹ Copper equivalent (Cu Eq %) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25, 2013 of \$3.71/lb copper (Cu), \$1549/oz gold (Au), \$30.29/oz silver (Ag), and \$14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. An economic cut-off grade of 0.25% copper equivalent was assumed. Contained metal values may vary from calculated values due to rounding.

In November 2014, the Company was granted an environmental permit to construct 20 drill pads from which 20,000 metres of diamond drilling can be performed. The permit authorizes work to be completed over 3 continuous drilling seasons, which typically extend from October to May, and should begin by no later than November 2019.

On February 21, 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 ha., of which 4,689 ha. are subject to the Boezio Option agreement.

The Company is looking for a partner to develop this project and it is also considering other alternatives to monetize the value of the project.

Arbitration claim against the Bolivian government for the expropriation of the Malku Khota project

The Malku Khota project is located approximately 200 kilometres north of Potosi, Bolivia. Malku Khota is one of the world's largest silver, indium and gallium resources with a NI 43-101-qualified Indicated Resource of 255 million tonnes of mineralized material containing 230.3 million ozs of silver, 1,481 tonnes of indium and 1,082 tonnes of gallium at a grade of 28.7 g/t silver, 5.8 g/t indium and 4.3 g/t gallium (43.8 g/t silver equivalent¹), and an additional Inferred Resource of 230 million tonnes containing 140 million ozs of silver, 935 tonnes of indium, and 1,001 tonnes of gallium at a grade of 18.9 g/t silver, 4.1 g/t indium and 4.3 g/t gallium (33.0 g/t silver equivalent⁶).

Exploration commenced at Malku Khota in 2003 and work on the Project continued through to the expropriation in August 2012. After completing a total of 42,700 metres of drilling in 121 diamond core holes, and undertaking metallurgical testwork, process development and engineering design, a Preliminary Economic Assessment study was published in May 2011 showing a bulk-mineable heap leach operation with the potential to be one of the largest new silver, indium and gallium producing mines in development with over 13.2 million ounces of silver production annually over the first 5 years.

The Preliminary Economic Assessment showed a Pre-tax Net Present Value ("NPV") for the project, using a 5% discount rate, of \$1.5 billion and a Pre-tax Internal Rate of Return ("IRR") of 63% at the "middle price case" of \$25.00 per ounce of silver.

After the publication of the Preliminary Economic Assessment, the pre-feasibility study ("PFS") phase was started in June 2011. The ongoing work program, which was designed to expand mineral resources and enhance project economics, included the development of social and community programs to benefit indigenous communities, baseline studies for the environmental review and assessment program, exploration, metallurgical testwork, flowsheet development, engineering design and preparations to construct a modern 150 person exploration camp near the exploration site. The planned work programs including the PFS were not completed due to the expropriation.

On July 10, 2012, the Bolivian government announced to the media its intention to nationalize the Malku Khota project and on August 1, 2012, issued Supreme Decree No.1308 nationalizing the Malku Khota project. On October 23, 2012 the Company's wholly-owned subsidiary, South American Silver Limited ("SASL"), delivered a formal letter to the Bolivian government notifying it of an investment dispute between SASL 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 which revoked mining concessions held by Compañía Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of SASL, without any compensation.

SASL is a company incorporated in the Bermuda Islands, an overseas territory of the United Kingdom, which through its wholly owned Bahaman subsidiaries, Malku Khota Ltd., G.M. Campana Ltd. and Productora Limited., owns one hundred per cent of the outstanding shares of CMMK. SASL is a protected investor under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Bolivia for the Promotion and Protection of Investments ("Treaty"), and the actions and omissions of the Bolivian Government are in violation of the Treaty and of international law. Bolivia has breached the Treaty's requirement to provide full protection and security to foreign investors and their investments, as well as the Treaty's protections against, among other things, expropriation without just and effective compensation, unfair and inequitable treatment, and less favorable treatment than afforded to Bolivian nationals or nationals of third states. Notification of the investment dispute triggered a six-month cooling-off period during which the disputing parties could negotiate a settlement.

Arbitration provides the forum for the Company to pursue fair value compensation for the expropriation of the Malku Khota project. Since the expropriation Supreme Decree, the Company has appointed the international legal firm, King

¹ Silver equivalent calculated using total contained metal using base case metal pricing (Ag at \$18/oz, In at \$500/kg, Ga at \$500/kg, Cu at \$3.00/lb, Pb at \$0.90/lb, and Zn at \$0.90/lb).

& Spalding, to prepare and handle the claim. King & Spalding is being supported by prominent local counsel in Bolivia. Experts to assess the value of the damages have also been appointed.

On August 1, 2012, September 4, 2012, December 12, 2012, January 16, 2013 and February 14, 2013, SASL delivered letters to the Bolivian Government reiterating its willingness to attend meetings with Bolivian Government representatives to resolve the dispute amicably. The Government of Bolivia finally responded on February 21, 2013 and on April 17, 2013 a meeting was held but no resolution was reached and no compensation was offered.

The cooling-off period ended on April 23, 2013 and on April 30, 2013 the Company announced in News Release 13-09 that its wholly-owned subsidiary, SASL had commenced international arbitration proceedings against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law (“UNCITRAL”) pursuant to the Treaty seeking compensation based on fair market value of the Malku Khota project. Concurrent with the Notice of Arbitration issued to Bolivia, SASL appointed its arbitrator to the Arbitral Tribunal. On June 28, 2013, the Bolivian Government responded to the Notice of Arbitration and appointed its own arbitrator. Each party challenged the appointment of the other party’s arbitrator on grounds of justifiable doubts as to his independence and impartiality but the challenges were ultimately rejected by the Permanent Court of Arbitration (“PCA”). The appointed arbitrators could not agree on the appointment of a third arbitrator to act as president of the three-person Arbitral Tribunal so on January 22, 2014 the Secretary General of the PCA appointed the presiding arbitrator (see News Release NR 14-01 dated February 3, 2014).

On May 13, 2014, SASL attended its first Procedural Meeting with representatives of the Government of Bolivia and the three members of the Arbitral Tribunal, Messrs. Eduardo Zuleta Jaramillo (President), Francisco Orrego Vicuña and Osvaldo Guglielmino, at the Center of Arbitration and Conciliation of the Bogota Chamber of Commerce in Bogota, Colombia under the oversight of the Permanent Court of Arbitration (see News Release NR 14-12 dated May 14, 2014).

On June 3, 2014, SASL received Procedural Order No. 1 from the Arbitral Tribunal (Tribunal’s binding decisions on procedural matters). With Procedural Order No. 1 the Tribunal fixed the place of arbitration at The Hague, the Netherlands (where the arbitration is considered legally held) and stated that the meetings and hearings will take place in Bogota (Colombia) or Washington DC (U.S.A.), to be determined by the Tribunal after consultation with the Parties before each hearing or meeting. Procedural Order No. 1 also includes a procedural calendar with two rounds of pleadings (4 months to each party for the first round and 3 months to each party for the second round, with an additional 1 month to SASL for a potential rejoinder on jurisdiction). The Tribunal also limited the document production phase to approximately 5 months. The procedural calendar included in Procedural Order No.1, was amended in April 2015, June 2015 and January 2016.

Based on the procedural calendar, SASL’s statement of claim and memorial on the merits was filed on time on September 24, 2014. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar SASL’s reply to Bolivia’s statement of defense and counter-memorial was filed on November 30, 2015. Pursuant to extensions granted by the Tribunal to both parties, Bolivia’s rejoinder was filed on March 21, 2016 and SASL’s rejoinder on jurisdiction was filed on May 3, 2016.

On April 30, 2015, after consultations with the parties, the Tribunal decided to postpone the oral hearing from May 2016 to July 2016. The oral hearing was held in Washington, D.C., on July 11 to July 21, 2016. Pursuant to the procedural orders in place, both parties submitted post-hearing memorials on October 31, 2016, after which the Tribunal will deliberate and issue a final award. It is typical for tribunals in this type of arbitration to require six to twelve months after the oral hearing to finalize and issue a final award. As of the date of this MD&A, the outcome of the arbitration has not been finalized

SASL seeks monetary compensation for damages in the amount of \$385.7 million (NR 14-21, September 25, 2014), which includes \$307.2 million for all of its losses caused by Bolivia’s breaches of the UK-Bolivia Treaty, plus \$78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. As an alternative, SASL had been seeking restitution of the Malku Khota project along with monetary damages for project-delay in the amount of \$176.4 million, including pre-award interest, but after the second round of pleadings, SASL elected not to pursue its claim for restitution of the project itself along with the delay damages due to, among other things, the fact that restitution is rarely granted by tribunals (and even when it is, States are usually given the option of paying current fair market value in lieu of restitution), the changes in the Bolivian mining law since the expropriation impose onerous conditions on foreign investors, and Bolivia’s conduct during the arbitration.

Orders of the Tribunal, including any awards, and pleadings (but not exhibits, witness statements or expert reports) are being posted on the Permanent Court of Arbitration’s website at www.pca-cpa.org.

The Company has Class B shares outstanding that entitle the holders 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 an award or settlement in relation to SASL’s arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. The Class B shares have no interest in the other assets or properties of the Company. The Class B shares carry

redemption and retraction rights and rights on liquidation, are non-voting and non-participating in regards to dividends and on liquidation other than as described above.

On May 23, 2013, the Company entered into an agreement (the “Arbitration Costs Funding Agreement”) with a third party funder (the “Fund”) pursuant to which the Fund will cover most of SASL’s future costs and expenses related to its international arbitration proceedings against Bolivia. The Fund will not cover the salaries or travel expenses of the employees and executives of the Company when working on arbitration related matters. The non-brokered funding is on a non-recourse basis and includes costs and expenses of the enforcement of any award rendered by the Arbitral Tribunal. The Fund specializes in the funding of international arbitration proceedings and in providing assistance in connection with the enforcement of arbitration awards.

Under the terms of the privileged Arbitration Costs Funding Agreement, the Company has given certain warranties and covenants to the Fund and has provided security for its obligations. In consideration for the funding, SASL and the Company have agreed to pay to the Fund a portion of any recoveries received by SASL pursuant to the arbitration proceedings or any settlement with Bolivia. SASL continues to have control over the conduct of the international arbitration proceedings and to have the right to settle with Bolivia, discontinue proceedings, pursue the proceedings to trial and take any action it considers appropriate to enforce any resulting judgment or award.

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, the 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.

San Antonio property, Mexico

No exploratory work has been conducted at San Antonio since 2011, as the Company’s exploration efforts have been focused on the Gold Springs project.

Results of operations

Nine month results

During the nine months ended September 30, 2017, the Company reported a net loss of \$2,634,815 (\$0.02 per share) compared to a loss of \$16,574,559 (\$0.12 per share) reported in the nine months ended September 30, 2016.

The 2017 nine-month earnings include a non-cash charge amount of \$1,111,790 (2016 - charge of \$14,714,347) in respect of the change in fair value of the Company’s Class B shares and earnings of \$115,442 (2016 - charge of \$180,745) in respect of the change in fair value of stock options exercisable into Class B and common shares. Under IFRS, the Company’s Class B shares are considered to be financial liabilities, not equity instruments, and stock options exercisable into Class B and common shares are considered to be derivative liabilities. The Class B shares and derivatives are measured at fair value at each period-end, and changes in fair values are included in the determination of earnings/loss. 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 the nine months of 2017, the closing price of the Class B shares on the TSX decreased from Cdn. \$0.24 per Class B share at December 31, 2016 to Cdn. \$0.235 per Class B share at September 30, 2017. This price decrease during the nine months of 2017 gave rise to the non-cash charge of \$1,111,790.

General and administrative expenses decreased from \$1,522,225 to \$1,468,783. Non-cash share-based payments were comparable period to period at \$290,883 to \$288,735. Non-cash share-based payments expense can fluctuate significantly between quarters in accordance with the timing of stock option grants and the Company’s share price, among other factors.

General and administrative expense decreased by approximately 3%. During 2016, management implemented a number of cost-saving measures to streamline the operations and administration and some of these measures have continued into 2017. Shareholder information and investor relations expense decreased by 30% from \$124,899 to \$86,461. Direct costs associated with the arbitration process decreased by 60% from \$180,677 to \$74,076. Arbitration costs for the nine months of 2017 are net of recoveries from the Fund amounting to 300,480 (2016 - \$2,066,162).

The favourable variances were offset by a 40% increase in professional fees from \$231,584 to \$325,143. The increase includes the impact of a strategic advisory contract entered into during the fourth quarter of 2016.

Reconnaissance and sundry exploration costs of \$45,931 (2016 - \$61,724) include holding costs associated with the Company’s Mexican properties which are being kept in good standing, but which have been attributed \$nil value for accounting purposes.

Expenses were offset by interest and other income of \$19,522 (2016 - \$26,644). The Company also incurred accretion and interest expense on its convertible notes amounting to \$187,371 (2016 - \$176,646).

The Company's convertible notes and a portion of its funds are held in Canadian currency. As a result of the appreciation of the Canadian dollar against the U.S. dollar during the nine months 2017, the Company has recognized a currency translation loss of \$75,085 (2016 - \$38,206) on the accounting translation to U.S. dollars. This unrealized charge has been recorded as other comprehensive loss and has not been included in the determination of net earnings (loss) for the period. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Three month results

During the third quarter ended September 30, 2017, the Company reported net loss of \$3,038,046 (\$0.02 per share) compared to net earnings of 5,407,440 (\$0.04 per share) reported in the third quarter of 2016.

The 2017 third quarter loss includes non-cash charges of \$2,633,162 (2016 - income of \$5,776,630) in respect of the change in fair value of the Company's Class B shares and income of \$86,006 (2016 - \$63,406) in respect of the change in fair value of stock options exercisable into Class B and common shares. The Class B shares are measured at fair value at each period-end, which is based on the closing price of the Class B shares on the TSX, and changes in fair values are included in the determination of earnings/loss for the period. During Q2 2017, the closing price of the Class B shares on the TSX increased from Cdn. \$0.215 per Class B share at June 30, 2017 to Cdn. \$0.235 per Class B share at September 30, 2017. This price increase during Q3 2017 gave rise to the non-cash charge.

The Company incurred share-based payments expense during the second quarter of \$25,318 (2016 - \$2,714) with the increase being attributable to a higher vesting provision for previous grants in Q3 2017 compared to Q3 2016. Excluding the impact of share-based payments, general and administrative expense increased by a factor of 15%. Variances include: arbitration costs decreased from \$78,827 to \$19,888 and shareholder information and investor relations decreased from \$39,073 to \$25,822. These variances were offset by an increase in professional fees which increased from \$69,387 to \$147,509; office and administration which increased from \$32,416 to \$54,911. Expenses were offset by interest and other income of \$7,848 (2016 - \$10,183). The Company also recorded a foreign currency loss of \$50,278 (2016 - \$11,358) and incurred accretion and interest expense on its convertible notes amounting to \$65,655 (2016 - \$59,335).

Capital expenditures and investing activities

Total exploration spending for the nine months ended September 30, 2017 increased to \$2,386,306 from \$1,318,484 incurred in the comparable nine months of 2016.

The nine months of 2017 costs included \$2,081,725 incurred at Gold Springs which included \$243,357 in water lease payments and associated legal fees, net of water sublease receipts. The Company acquired the rights to 1,658 acre feet of water per year for the Gold Springs project through a water lease agreement which includes an option to purchase 1,500 of the 1,658 acre feet of water rights. The water lease agreement with the option to purchase continues from year to year with automatic yearly renewal of the terms for 20 years. The annual aggregate lease payment is \$300,000, payable in quarterly instalments, and such payments are being offset prior to mining by subleasing the water rights. The Company has the option to purchase 1,500 of the 1,658 acre feet per year of water rights leased in the agreement for consideration of \$7,000,000. This option can be exercised at any time during the 20-year term of the lease.

The Gold Springs expenditures included \$334,375 in drilling costs as well as costs associated with the updated resource estimate, geochemistry, supervision, and ongoing environmental studies for permitting.

At Escalones, the Company incurred costs of \$304,581 which mainly included land payments and supervision.

The comparative 2016 nine-month costs included \$1,194,694 incurred at Gold Springs which included costs associated with further analysis of exploration data, ongoing metallurgical testing and environmental studies for permitting. In addition, the Company expanded its Gold Springs property holdings by acquiring a 64.75 hectare Utah State mineral lease at a cost of \$20,000. At Escalones, the Company incurred costs of \$123,790 which mainly included land payments and supervision.

During the nine months ended September 30, 2017, the Company received \$75,000 (2016 - \$75,000) in repayments of drilling advances under the terms of its drill contract at Escalones.

Financing activities

During the nine months ended September 30, 2017, the Company completed in two tranches a private placement for gross proceeds of \$2,853,977 through the issuance of 16,058,270 units (the "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 ("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 a cash commission of \$208,260 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. The Company also paid share issue costs of \$150,112 in respect of this private placement.

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

Summary of quarterly results (unaudited)

Three months ended	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	Mar. 31, 2016	Dec. 31, 2015
Total revenues	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Net earnings (loss)	(\$2,601,897)	(\$1,512,968)	\$1,916,199	\$2,719,709	\$5,407,440	\$19,960,453	(\$2,021,546)	\$3,294,829
Total comprehensive income (loss)	(\$3,082,748)	(\$1,525,183)	\$1,908,292	\$2,728,724	\$5,393,939	\$19,951,573	(\$2,047,884)	\$3,305,426
Net earnings (loss) per share								
- Basic	(\$0.02)	(\$0.01)	\$0.01	\$0.02	\$0.04	(\$0.15)	(\$0.01)	\$0.02
- Diluted	(\$0.02)	(\$0.01)	\$0.01	\$0.02	\$0.03	(\$0.15)	(\$0.01)	\$0.02
Deferred exploration costs	\$1,130,664	\$621,699	\$633,943	\$753,172	\$753,379	\$268,493	\$296,612	\$552,609

Net earnings (loss) and total comprehensive income (loss) have been volatile for the eight most recent quarters. During Q3 2017, the Company recognized a charge of 2,633,162 (Q2 2017 – charge of \$905,399, Q1 2017 – income of \$2,426,771, Q4 2016 - income of \$3,153,301, Q3 2016 - income of \$5,776,630; Q2 2016 - charge of \$18,988,076; Q1 2016 - charge of \$1,502,901; Q4 2015 - income of \$3,392,255) in respect of the change in fair value of the Company's Class B shares. Quarterly results have also been impacted by non-cash share-based payments expense which fluctuated significantly between quarters in accordance with the timing of stock option grants and the Company's share price, among other factors.

Deferred exploration costs have also been variable as exploration activities have fluctuated significantly on a quarterly basis. The Company conducted drilling programs at Gold Springs in Q2 and Q3 2017, Q3 and Q4 2016, and in Q4 2015.

Liquidity and capital resources and going concern

The Company's aggregate operating, investing and financing activities during the nine months ended September 30, 2017 resulted in a net cash outflow of \$0.5 million.

In 2013, in an effort to preserve cash, the Company entered into the Arbitration Costs Funding Agreement with the Fund pursuant to which the Fund covers on a non-recourse basis most of the costs and expenses related to the Company's international arbitration proceedings against Bolivia in consideration for a portion of any recoveries received by the Company pursuant to the arbitration proceedings or any settlement with Bolivia.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at September 30, 2017, the Company had working capital of \$1.5 million and was indebted for convertible notes with a principal amount of \$1.8 million. The Company also has an option payment of \$100,000 due on June 30, 2018 in respect of its Escalones property. At September 30, 2017, the Company also had an accumulated deficit of \$79.0 million which has been funded primarily by the issuance of equity. 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 September 30, 2017:

	Total due over next 5 years	Payments Due by Period		
		Less than 1 year	1-3 years	3-5 years
Lease agreement for office premises (1)	\$62,000	\$22,000	\$40,000	-
Escalones Option Agreement (2)	\$4,500,000	\$100,000	\$1,400,000	\$3,000,000
Gold Springs Water Lease Agreement (3)	\$1,500,000	\$300,000	\$600,000	\$600,000
Total	\$6,062,000	\$422,000	\$2,040,000	\$3,600,000

- (1) The Company entered into a lease agreement in respect of an office in Denver, USA. This table reflects the commitment under that lease agreement.
- (2) 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 \$4,500,000, 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).
- (3) During the first quarter of 2017, the Company entered into a water lease agreement at Gold Springs with annual lease payments of \$300,000, payable in quarterly instalments, and such payments may be offset prior to mining by subleasing the water rights. During Q2 2017, the Company had started to sublease water rights and it is therefore recovering a portion of the lease costs. The Company has the option to purchase 1,500 of the 1,658 acre feet per year of water rights leased in the agreement for consideration of \$7,000,000. This option can be exercised at any time during the 20-year term of the lease.

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 the Fund and pledged 35% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property, as security for its obligations. In consideration for the funding, the Company has agreed to pay to the Fund a portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia. As at September 30, 2017, the arbitration has not been settled and the amount of the contingent payment is deemed to be indeterminable. Accordingly, nothing has been accrued for the Fund's portion of any recoveries in the arbitration.

The Company has agreed to a contingent success fee with its lead arbitration counsel to be determined based on the outcome of the arbitration. As at September 30, 2017, the arbitration has not been settled and accordingly the success fee is deemed to be indeterminable and accordingly nothing has been accrued.

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 convertible notes issued in 2015 are secured by a pledge of approximately 20.7% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property.

The Company had recorded a provision for Mexican tax related to the 2011 transfer of a Mexican mineral property. Management believes that it is unlikely that its 2011 Mexican tax return will be reassessed and during 2015 reversed the previous accrual amounting to \$426,503. The Mexican tax authorities have until 2018 to assess the existing filing.

Outlook

The priorities of the Company are to (i) continue with the exploration program at Gold Springs with the intention of expanding the mineral resource and moving the project closer to production; (ii) consider other alternatives to monetize the value of the Escalones copper-gold porphyry project in Chile ; (iii) continue with the international arbitration against Bolivia to recover full compensation based on the fair market value for the Malku Khota project; and (iv) diligently continue managing the Company's cash resources.

Related party transactions

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 expenditures during the three and nine months ended September 30, 2017 and 2016 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 their fair value as determined by management.

	Three months ended September 30, 2017 \$	Three months ended September 30, 2016 \$	Nine months ended September 30, 2017 \$	Nine months ended September 30, 2016 \$
Consulting fees (1)	2,829	16,765	23,591	52,600
Legal fees for general corporate matters (2)	42,649	18,853	85,602	78,217
Consulting fees included in mineral property costs (1)	17,340	3,109	36,153	6,956
Legal fees included in share issue costs (2)	779	18,387	80,293	18,387
	<u>63,597</u>	<u>57,114</u>	<u>225,639</u>	<u>156,160</u>

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

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

Included in accounts payable at September 30, 2017 is an amount of \$62,020 (December 31, 2016 - \$59,358) due to related parties. The 2017 amounts include amounts payable to Gowling WLG (Canada) LLP for legal services, to David Dreisinger and Felipe Malbran for accrued compensation as officers of the Company, to directors of the Company for their most recent directors' fees, and to officers of the Company for reimbursement of expenses incurred. These amounts are non-interest bearing and have no specific terms of repayment.

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 three and nine months ended September 30, 2017 and 2016 is as follows:

	Three months ended September 30, 2017 \$	Three months ended September 30, 2016 \$	Nine months ended September 30, 2017 \$	Nine months ended September 30, 2016 \$
Directors' fees	14,550	12,150	48,450	44,313
Wages and benefits	69,938	69,938	209,814	209,813
Share-based payments	12,176	15,904	211,455	231,887
	<u>96,664</u>	<u>97,992</u>	<u>469,719</u>	<u>486,013</u>

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities, convertible notes, Class B shares, and stock options exercisable into Class B shares and common shares. Cash equivalents consist of term deposits with investment terms of less than three months at acquisition. The majority of the Company's cash and cash equivalents is held through a major Canadian chartered bank. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

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, Chile and Mexico. At September 30, 2017, the Company's currency risk is related to approximately \$1,161,842 of net financial assets denominated in U.S. dollars which are owned by the Canadian parent, or denominated in Bolivian Bolivianos, Chilean pesos, or Mexican pesos. Based on this exposure as at September 30, 2017, a 5% change in exchange rates would give rise to a change in net loss of approximately \$58,000. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

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. See the contingencies section of this MD&A for a discussion with respect to the Arbitration Costs Funding Agreement.

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 and internal control over financial reporting as at December 31, 2016. Based on this evaluation, management concluded that these disclosure and internal controls and procedures over financial reporting were effective.

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 accounting estimates and judgments considered to be significant to the Company include the carrying values of mining claims and exploration and Malku Khota project, the carrying value of marketable securities, the computation of share-based payments expense and the computation of derivative liabilities and Class B shares which are disclosed as non-current liabilities.

Management reviews the carrying values of its mining claims and exploration and other deferred costs 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 amounted to \$29,988,045 as at June 30, 2017. These costs may ultimately prove not to be recoverable and there is a risk that these costs may be written down in future periods.

In July 2012, the Malku Khota project was expropriated by the State of Bolivia. The Malku Khota mining concessions were held by the Company's Bolivian subsidiary, CMMK, a wholly-owned subsidiary of SASL. A Bolivian Supreme Decree (the "Decree") revoked the applicable mining concessions and indicated the Bolivian Government would contract an independent company to conduct a valuation of CMMK's investments to establish an amount and conditions under which the Bolivian Government will recognize and compensate CMMK for the investment previously made at the Malku Khota project. Prior to the expropriation the Company had capitalized approximately \$18.7 million to the project. The Company has determined that the Decree revoking the mining concessions and indicating that compensation will be forthcoming does not represent a financial instrument under IFRS. However, an asset exists for the compensation expected from the State of Bolivia. SASL has initiated an international arbitration to seek compensation.

On September 24, 2014, SASL filed its statement of claim and memorial on the merits. SASL seeks monetary compensation for damages in the amount of \$385.7 million which includes \$307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus \$78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar, SASL's reply to Bolivia's statement of defense and counter-memorial was filed on November 30, 2015. Pursuant to extensions granted by the Tribunal to both parties, Bolivia's rejoinder was filed on March 21, 2016 and SASL's Rejoinder on jurisdiction was filed on May 3, 2016. On April 30, 2015, after consultations with the parties, the Tribunal decided to postpone the oral hearing from May 2016 to July 2016. The oral hearing was held in Washington, D.C., on July 11 to July 21, 2016. Pursuant to the procedural orders in place, both parties submitted post-hearing memorials on October 31, 2016, after which the Tribunal will deliberate and issue a final award. It is typical for tribunals in this type of arbitration to require six to twelve months after the oral hearing to finalize and issue a final award. As of the date of this MD&A, the outcome of the arbitration has not been finalized.

Management reviewed the carrying amount of the Malku Khota project asset by comparing the unamortized book value to the higher of value in use and fair value less costs to sell as at June 30, 2017 and concluded that no impairment adjustment is necessary at this time. If SASL is unsuccessful in its efforts to obtain compensation in excess of the unamortized book value of its investment in Malku Khota, the Malku Khota project asset may be written down in future periods.

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 and awards 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. Changes to these estimates could result in the fair value of the share-based payments costs being less than or greater than the amount recorded. During the six months ended June 30, 2017, the Company granted 2,525,000 stock options, the estimated fair value of which totaled \$329,103. During the six months ended June 30, 2017, the Company recorded share-based payments costs of \$303,320 (2016 - \$320,249) in accordance with the vesting provisions of stock options.

The Class B shares carry redemption and retraction rights and rights on liquidation which entitle the holders 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 from an award or settlement in relation to SASL's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. As at September 30, 2017, the Class B shares have been determined to have a fair value of \$21,914,081, based on the closing price of a Class B share on the TSX (Cdn. \$0.235 per Class B share). The estimated fair value of the derivative liability related to stock options exercisable into common shares and Class B shares amounts to \$41,400 as at September 30, 2017 and is measured using estimates for the expected value of the stock, the expected life of options, and an estimated risk-free rate.

Outstanding share data

Authorized Capital:

An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

Issued and outstanding as at November 10 2017: 177,047,407 common shares and 116,375,152 Class B shares

The Class B shares carry redemption and retraction rights and rights on liquidation which entitle the holders 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 an award or settlement in relation to TMI's wholly-owned subsidiary SASL's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. The Class B shares have no interest in the other assets or properties of the Company. The Class B shares are non-voting and non-participating in regards to dividends and on liquidation other than as described above.

Fully diluted as at November 10, 2017: 219,002,446 common shares and 117,408,485 Class B shares.

Outstanding options and warrants as at November 10, 2017:

Type of Security	Number	Exercise Price Cdn. \$	Expiry date
Stock options ⁽¹⁾	1,033,333	\$0.44	October 21, 2018
Stock options	515,625	\$0.65	October 22, 2018

Stock options	1,500,000	\$0.10	December 23, 2018
Stock options	300,000	\$0.365	January 28, 2019
Stock options	1,667,500	\$0.42	November 13, 2019
Stock options	2,217,500	\$0.21	August 12, 2020
Stock options	2,132,500	\$0.305	May 19, 2021
Stock options	250,000	\$0.285	October 10, 2021
Stock options	250,000	\$0.25	November 10, 2021
Stock options	50,000	\$0.225	November 21, 2021
Stock options	2,525,000	\$0.30	June 12, 2022
Warrants ⁽²⁾	6,000	\$0.30	January 5, 2018
Warrants ⁽³⁾	73,200	\$0.30	January 11, 2018
Warrants	4,472,500	\$0.40	July 5, 2019
Warrants	4,224,000	\$0.40	July 11, 2019
Warrants	7,300,000	\$0.30	December 2, 2019
Warrants ⁽⁴⁾	876,000	\$0.25	December 2, 2019
Warrants	729,135	\$0.30	December 8, 2019
Warrants ⁽⁵⁾	87,496	\$0.25	December 8, 2019
Total	30,209,789		

- (1) Each option is exercisable into one common share and one Class B share.
- (2) 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 at an exercise price of Cdn. \$0.40 per share until July 5, 2019.
- (3) 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 at an exercise price of Cdn. \$0.40 per share until July 11, 2019.
- (4) 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 at an exercise price of Cdn. \$0.30 per share until December 2, 2019.
- (5) 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 at an exercise price of Cdn. \$0.30 per share until December 8, 2019.

Outstanding convertible notes as at November 10, 2017:

Type of Security	Principal Amount Cdn. \$	Conversion Price Cdn. \$	Number of Common Shares on Conversion	Expiry date
Convertible notes ⁽¹⁾	\$2,296,000	\$0.20	11,480,000	July 23, 2018

- (1) If the closing price of the common shares of the Company on the TSX is at least Cdn. \$0.40 for 10 consecutive trading days, the Company has the right to convert all or any portion of the outstanding principal amount of the Notes into common shares, without penalty. If the repayment of the Notes on the maturity date would expose the Company to undue financial hardship, then the Company has the right to extend the maturity date to July 23, 2020 for no additional consideration. Notwithstanding the foregoing, if the Company receives a cash payment pursuant any award or settlement in the arbitration by its subsidiary against Bolivia of at least \$5 million (after the payment of all Malku Khota Arbitration Expenses and the Class B Share Entitlement, each as defined in the Company's Articles), the holders shall have the right to demand repayment of the outstanding principal amount of the Notes and accrued interest thereon, in cash, within 60 days of the first public disclosure by the Company of receipt of such net cash payment.

Changes in accounting standards including initial adoption

The following new standards have been issued by the IASB but not yet applied:

- IFRS 9, *Financial Instruments*, was issued in July 2014 and replaces IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 was developed in phases by the IASB. As a result there are a number of transition options and requirements in relation to earlier versions of IFRS 9 prior to the mandatory effective date of IFRS 9 in its entirety. IFRS 9 is mandatory for annual periods beginning on or after 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, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made for use of fair value through other comprehensive income which results in changes in fair value not being recycle to the income statement. The Company has not adopted IFRS 9 and has not completed its assessment of the impact of this standard.
- IFRS 16, *Leases*, was issued in January 2016 and 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 not adopted IFRS 16 and has not completed its assessment of the impact of this standard.

Risks and uncertainties

The Company's business involves a high degree of risk due to the nature of exploring for and developing mineral resources, as well as pursuing new opportunities and the realization of value from the expropriated Malku Khota project in Bolivia through an arbitration process. Certain risk factors relate to the mineral exploration industry in general while others are specific to the Company. For a discussion of these risk factors, please refer to Annual MD&A and the Company's most recently filed Annual Information Form, which are available for viewing on SEDAR at www.sedar.com and at the Company's website at www.trimetalsmining.com.

About TriMetals Mining Inc.

TriMetals Mining Inc. is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project in mining friendly Nevada and Utah in the U.S.A.

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 are listed on the Toronto Stock Exchange under the symbols "TMI" and "TMI.B" and the common shares and Class B shares also trade on the OTCQX market under the symbol "TMIAF" and "TMIBF". 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.

Additional information related to TriMetals Mining Inc. is available at www.trimetalsmining.com and on SEDAR at www.sedar.com.

Mr. Ralph Fitch, President and Chief Executive Officer of the Company, is the "qualified person" who reviewed and approved the disclosure of the technical information herein regarding Escalones and Malku Khota and Mr. Randall Moore, Executive Vice-President of the Company, is the "qualified person" who reviewed and approved the technical information herein regarding Gold Springs.

Cautionary notes

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 arbitration proceeding against Bolivia, including the advancement of the international arbitration process in a customary manner and in accordance with Procedural Order No. 1 (as amended in April and June 2015 and January 2016), the outcome of the international arbitration process including the timing and the quantum of damages to be obtained, 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 its investments in Bolivia, the arbitration proceeding along the timeline included in Procedural Order No. 1 issued by the Arbitral Tribunal (as amended in April and June 2015 and January 2016 following consultation with the parties), 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 August 11, 2017.

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, is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.trimetalsmining.com.