Management's Discussion and Analysis for the three months ended March 31, 2017

Samco Gold Limited

Prepared as at May 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following Management's Discussion and Analysis ("MD&A") is prepared as at May 30, 2017, and is intended to assist the reader to assess material changes in the financial condition and results of operations of Samco Gold Limited (the "Company" or "Samco Gold") as at, and for the three months ended March 31, 2017 and 2016.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company including the supporting notes thereto. The Company's unaudited condensed consolidated interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 – "Interim Financial Reporting" and have not been reviewed by the Company's auditors. All amounts are expressed in United States dollars, unless otherwise identified.

Caution Regarding Forward Looking Statements

This MD&A contains statements which may be considered forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change except as required by applicable securities laws. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include changes in market conditions, fluctuations in the currency markets (including Canadian and United States dollars, United Kingdom pound sterling and the Argentinean peso), changes in national and local governments, legislation, taxation, controls, regulations, and political or economic developments in Canada, the United Kingdom and Argentina or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration activities; risks and hazards associated with the business of mineral exploration and development (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; inadequate insurance or inability to obtain insurance to cover these risks and hazards and the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Argentina; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with operational inputs and labour; the speculative nature of mineral exploration, including the risks of obtaining necessary licenses, permits and approvals from government authorities; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; challenges to, or difficulty in maintaining, the Company's title to properties; and the risk factors discussed or referred to in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned against attributing undue certainty to forward-looking statements.

Company Overview

The Company is a mineral exploration company that acquires, explores and develops mineral properties in South America. The Company owns approximately 39,000 hectares of mineral exploration concessions all of which are located on the Deseado Massif in the Province of Santa Cruz, Argentina.

The Company's principal project comprises the El Dorado, Monserrat and adjacent Judite property which together cover approximately 8,000 hectares. This project (hereinafter referred to as "El Dorado Monserrat") is situated contiguous to the western boundary of the license area of the Cerro Vanguardia gold-silver mine operated by AngloGold Ashanti Limited.

The Company owns further concessions strategically distributed throughout the Deseado Massif proximal to major gold-silver mines and advanced projects. All of the Company's properties are at an early stage of exploration. Subject to market conditions, the Company proposes to continue exploration work in an effort to define potential mineral resources at its properties.

Selected Financial Information

The following table sets out selected financial information for the Company and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements as at, and for the three months ended March 31, 2017, and the audited consolidated financial statements as at December 31, 2016:

	As at March 31, 2017 ($)	As at December 31, 2016 ($)
Assets		
Current assets	2,548,826	2,975,819
Total assets	5,176,746	5,583,543
Liabilities		
Current liabilities	2,830,622	2,898,069
Total liabilities	2,907,153	2,973,168
Working capital	(281,796)	77,750
Shareholders' equity		
Issued capital	45,423,567	45,423,567
Warrants and share-based payment reserve	5,906,373	5,906,373
Deficit	(49,060,347)	(48,719,565)
Shareholders' equity	2,269,593	2,610,375

	For the three months ended March 31, 2017 ($)	For the three months ended March 31, 2016 ($)
Total loss and comprehensive loss	(340,782)	(460,434)
Per common share, basic	(0.01)	(0.01)
Per common share, diluted	(0.01)	(0.01)
Weighted average number of shares outstanding, basic	65,076,075	65,076,075
Weighted average number of shares outstanding, diluted	65,076,075	65,076,075

Results of Operations

The following table sets out selected financial information for the Company for the three months ended March 31, 2017 and 2016, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2017 and 2016, and related notes.

	For the three months ended March 31,	
	2017 ($)	2016 ($)
Interest and other income	-	-
Expenses		
Administrative expenses	(347,414)	(339,899)
Finance and interest charge	(3,338)	(122,072)
Foreign exchange gain/(loss)	9,380	1,469
Share-based payment expense	-	(672)
Current tax	-	(18)
Deferred tax	590	758
Total loss for the period	(340,782	(460,434)

Results of operations for the three months ended March 31, 2017

The total loss for the three months ended March 31, 2017, was $340,782 ($0.01 per share) compared to $460,434 ($0.01 per share) for the three months ended March 31, 2016. The decrease in total loss of $119,652 for the three months ended March 31, 2017, compared to the comparable period in 2016, is predominantly attributable to a lower finance and interest charge and a combination of movements in income and expenses as detailed below:

- Administrative expenses were $347,414 for the three months ended March 31, 2017, compared to $339,899 for the comparable period in 2016. The increase of $7,515 is primarily as a result of an increase in travel and subsistence costs which is offset by a decrease in salary costs.
- Finance and interest charges were $3,338 for the three months ended March 31, 2017, compared to $122,072 for the comparable period in 2016. The decrease of $118,734 is as a result of interest accrued on financing by way of a Private Placement during the three month period ended March 31, 2016.
- The foreign exchange gain was $9,380 for the three months ended March 31, 2017, compared to a gain of $1,469 for the comparable period in 2016. The Company incurs expenses in multiple currencies including Canadian and United States dollars, United Kingdom pound sterling and Argentinean pesos and is subject to fluctuations in the exchange rates of these currencies resulting in foreign exchange gains or losses.
- Share-based payment expense was $Nil for the three months ended March 31, 2017, compared to $672 for the comparable period in 2016. Share-based payment expense is a non-cash expense and represents the estimated fair value of stock options vested during the period. Fair value is determined by using the Black-Scholes option-pricing model. Share-based payment expense varies period to period based on a number of factors, including the number of stock options granted, the value of stock options granted, vesting provisions, and the amortization schedule of previously granted options. No new options were granted during the current period, 75,000 share options were cancelled during the period and 500,000 share options expired during the period, however, all previously granted share options had already vested and therefore the expense recognised in prior periods.
- Income tax recovery was $Nil for the three months ended March 31, 2017, compared to a tax expense of $18 for the comparable period in 2016. The Company is no longer subject to a certain tax within Argentina as a result of one of the Company's subsidiaries obtaining its registration with the Mining Secretary in Argentina, which has resulted in a decrease in the tax amount for both financial periods.

Summary of Quarterly Results

The following table provides a comparison of the consolidated statement of loss for each of the eight quarters ended:

	March 31, 2017 ($)	December 31, 2016 ($)	September 30, 2016 ($)	June 30, 2016 ($)
Interest and other income	-	-	-	2,000,000
Expenses				
Administrative expenses	(347,414)	(365,645)	(589,712)	(415,114)
Finance and interest charge	(3,338)	(31,558)	(93,349)	(47,301)
Foreign exchange gain/(loss)	9,380	(85,962)	(27,431)	(41,292)
Share-based payment expense	-	-	-	-
Impairment charge	-	(9,330,425)	-	(1,924,864)
Income tax	-	1	(18)	5
Deferred tax	590	284	758	757
Total loss for the period	(340,782)	(9,813,305)	(709,752)	(427,809)

	March 31, 2016 ($)	December 31, 2015 ($)	September 30, 2015 ($)	June 30, 2015 ($)
Interest and other income	-	-	-	1
Expenses				
Administrative expenses	(339,899)	(599,989)	(548,961)	(902,540)
Finance and interest charge	(45,994)	(40,230)	(34,274)	(2,912)
Foreign exchange gain/(loss)	(74,609)	(135,402)	94,375	(4,519)
Share-based payment expense	(672)	(8,060)	(8,760)	(9,220)
Impairment charge	-	(10,679,017)	-	-
Loss on disposal of Corina	(18)	-	-	-
Income tax	758	(364)	(53)	(41)
Deferred tax		758	758	757
Total loss for the period	(460,434)	(11,462,304)	(496,915)	(918,474)

The following table provides a comparison of administrative expenses for each of the eight quarters ended:

	March 31, 2017 ($)	December 31, 2016 ($)	September 30, 2016 ($)	June 30, 2016 ($)
Administration costs	(50,573)	(54,663)	(46,518)	(62,635)
Travel and subsistence	(35,549	(6,445)	(22,265)	(57,164)
Application fees	(4,281)	(3,871)	(5,230)	(4,749)
Management and professional fees	(121,188)	(160,959)	(179,890)	(111,648)
Pre-acquisition costs	-	-	-	-
Salary	(132,872)	(134,697)	(330,458)	(173,834)
Depreciation	(2,951)	(5,010)	(5,351)	(5,084)
Total administrative expenses	(347,414)	(365,645)	(589,712)	(415,114)

	March 31, 2016 ($)	December 31, 2015 ($)	September 30, 2015 ($)	June 30, 2015 ($)
Administration costs	(49,215)	(35,757)	(93,028)	(55,565)
Travel and subsistence	(7,631)	(31,407)	(37,963)	(18,287)
Application fees	(4,413)	(15,460)	(11,794)	(15,235)
Management and professional fees	(120,343)	(168,735)	(12,197)	(291,725)
Pre-acquisition costs	-	(110,000)	(165,000)	(295,000)
Salary	(153,210)	(233,504)	(223,814)	(221,563)
Depreciation	(5,087)	(5,126)	(5,165)	(5,165)
Total administrative expenses	(339,899)	(599,989)	(548,961)	(902,540)

Corporate Developments

On May 29, 2014, the Company announced that a binding letter of intent was signed with Pan American Silver Corp. to grant it the exclusive option to acquire a 60% interest in the El Dorado Monserrat property in the Province of Santa Cruz, Argentina and on February 9, 2015, the Company announced that the definitive option agreement had been executed.

On January 17, 2017, the Company announced that it had received notice of termination of the letter of intent and that the corresponding option agreement had been terminated in accordance with its terms. The Company intends to evaluate other strategic opportunities to continue to develop the El Dorado Monserrat and achieve its business objectives.

Operational Developments

The mineral rights and exploration assets amounted to $1,922,191 as at March 31, 2017, compared to $1,915,518 as at December 31, 2016. For the three months ended March 31, 2017, the Company incurred $6,673 (2015: $47,861) in exploration costs. These costs are capitalized to mineral rights and exploration assets in line with the Company's accounting policy.

	El Dorado Monserrat	Corina	Other exploration properties	Total
	$	$	$	$
Balance as at December 31, 2015	10,821,096	2,924,862	345,552	14,091,510
Exploration costs incurred:				
Field costs	11,863	-	-	11,863
Surface rights	31,021	-	435	31,456
Professional fees	13,605	-	-	13,605
Geology	22,371	-	-	22,371
	78,860	-	435	79,295
Impairment	(9,043,370)	(1,924,862)	(287,055)	(11,255,287)
Disposal of Corina	-	(1,000,000)	-	(1,000,000)
Balance as at December 31, 2016	1,856,586	-	58,932	1,915,518
Exploration costs incurred:				
Field costs	**1,204**	**-**	**151**	**1,355**
Surface rights	**2,718**	**-**	**302**	**3,020**
Professional fees	**2,298**	**-**	**-**	**2,298**
	6,220	**-**	**453**	**6,673**
Balance as at March 31, 2017	**1,862,806**	**-**	**59,385**	**1,922,191**

As a result of the termination of the participation and option agreement and the entering into of an agreement with Yamana Gold Inc. ("Yamana") which provided, in part, for the sale to Yamana of the Company's Corina property during the year ended December 31, 2016, the Company classified the Corina property as held for sale and recognized an impairment loss of $1,924,862 on initial classification as held for sale. On June 16, 2016, the Corina property was acquired by Yamana, subject to a 2% NSR to the Company. The consideration received by the Company in respect of the property was $1,000,000, which resulted in the recognition of a gain/(loss) on sale of $Nil.

During the year ended December 31, 2016, the Company had undertaken an impairment review of its mineral rights and exploration assets and in accordance with IAS 36 management performed an assessment for impairment indicators regarding the Company's mineral properties and concluded that a risk of impairment existed. In estimating the fair value, the Company used the market capitalization of the Company plus a premium to estimate the fair value of the exploration assets. Therefore, the Company wrote down the carrying value of El Dorado Monserrat to $1,856,586 and that of the other exploration properties to $58,932, recognizing impairment losses of $9,043,370 and $287,055 respectively.

Liquidity and Risk Factors

Liquidity

Negative working capital as at March 31, 2017, was $(281,796) compared to negative working capital of $(1,319,751) as at March 31, 2016. The decrease of $1,037,955 is principally attributable to the proceeds received from Yamana.

Cash and cash equivalents were $997,327 as at March 31, 2017, compared to $1,433,877 as at December 31, 2016. Current liabilities were $2,830,622 as at March 31, 2017, compared to $2,898,069 as at December 31, 2016.

The Company incurred $439,257 in operating activities for the three months ended March 31, 2017, compared to $117,979 for the comparable period in 2016. The Company incurred $6,673 in investing activities for the three months ended March 31, 2017, compared to $21,899 for the comparable period in 2016. The Company incurred $6,673 in exploration and evaluation cash expenses for the three months ended March 31, 2017, compared to $44,627 for the comparable period in 2016.

For the three months ended March 31, 2017, the Company financed its operations through funds raised by way of Private Placement and from the proceeds of the transaction entered into with Yamana. The Company continues to pursue future financing options.

Risk Factors

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programmes on the properties and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- The state of capital markets generally;
- The prevailing market prices for precious metals and other commodities, in particular the prevailing market prices for gold (the price per ounce of gold was $1,158 at closing on January 3, 2017, and $1,249 at closing on March 31, 2017);
- The consolidation and potential abandonment of the properties as exploration results provide further information relating to the underlying value of the properties;
- Changes in laws, regulations and political conditions and currency fluctuation (the Argentinean peso increased by 3.1% against the US Dollar between January 1, 2017, and March 31, 2017);
- Changes in the Argentinean administrative, legislative, economic and political landscape;
- Changes in the Santa Cruz provincial administrative, legislative and political environment;
- The ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to the properties; and
- Management's estimate that the $1,400,000 receivable relating to the participation and option agreement with Dr. R. Auriemma will be recovered within twelve months.

The current trends relating to the above factors could change at any time and negatively affect the Company's operations and business. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are likely to have any further material effect on the Company's business, financial condition or results of operations for the three months ended March 31, 2017, and as at the date of this report.

Capital Resources

The Company had $997,327 in cash and cash equivalents, $757,566 in prepaid assets, $1,438,136 in receivables and $(281,796) in working capital as at March 31, 2017.

Liquidity Risk Management as at March 31, 2017 ($)					
	< 1 month	**1 to 3 months**	**3 months to 1 year**	**> 1 year**	**Total**
Due to related parties	-	13,653	1,458,867	-	1,472,520
Accounts payable and accrued liabilities	-	358,102	1,000,000	64,226	1,422,328
Total	-	371,755	2,458,867	64,226	2,894,848

In the event that the Company makes a significant discovery which merits follow up drilling, the Company would need to raise additional funds or financing to do so. The Company is currently considering a number of options which could facilitate the continued development of its asset portfolio in accordance with good geological practice.

Off-Balance Sheet Arrangements

As at the date hereof, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

For the three months ended March 31, 2017

Salary expense, including share-based payment expense, for the three months ended March 31, 2017, was $132,872 (2016: $153,882).

Mr. P. Fornazzari, the Company's corporate secretary, is a partner at Fasken Martineau DuMoulin LLP ("Faskens") law firm. The value of services billed by Faskens in the three months ended March 31, 2017, was $33,013 (2016: $4,252).

In the three months ended March 31, 2017, the Company owed $500,000 (2016: $1,500,000) in respect of its Private Placement (as previously disclosed) and related interest of $281,667 (2016: $45,500).

On December 6, 2013, the Company entered into a sub-lease in respect of its London office premises with JayTree Limited, a company wholly-owned by the Company's Chairman and Chief Executive Officer, Mr. C. Koppel. In accordance with the terms of the sub-lease, the Company leases a part of the premises, as required for its purpose, and pays its pro-rata portion of costs on a cost only basis. The remaining cost of this 53-month lease commitment as at March 31, 2017, as it relates to the related party, is $73,959 in the next twelve months (2016: $85,010) and $7,092 thereafter (2016: $93,162).

On December 12, 2014, the Company had entered into a share purchase agreement with Mantaro Resources Limited, a company in which the Company's Chairman and Chief Executive Officer, Mr. C. Koppel, has a majority interest. On December 16, 2015, the Company announced that the share purchase agreement had been terminated. Notwithstanding the termination, and in accordance with the share purchase agreement, a total of $790,134 was owed to Mantaro Resources Limited of which $677,200 was still outstanding as at March 31, 2017 (2016: $677,200) and which amount is evidenced by a promissory note in favour of Mantaro payable upon receipt of funds by the Company in certain circumstances. On March 29, 2017, the promissory note was assigned by Mantaro to Mr. C. Koppel.

Proposed Transactions

Whilst the Company continues to explore opportunities in various South American and other mining jurisdictions on an on-going basis, it has not entered into any asset or business acquisitions or dispositions as at the date hereof. The Company regularly assesses opportunities to supplement its existing portfolio through the acquisition of assets of quality and to make key dispositions through joint ventures or otherwise.

Critical Accounting Estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. Such judgments include:

- The Company measures the fair value of the share options granted to officers, directors, employees and agents using the Black-Scholes option pricing model, which incorporates assumptions regarding the expected life of the share option, volatility, dividend yield, and risk-free rates. The Company is required to calculate the fair value of these share options at the date of issuance;
- The Company measures the fair value of share purchase warrants issued using the Black-Scholes option pricing model, which incorporates the assumptions regarding contractual life of the warrants, volatility, dividend yield, and risk-free rates. The Company is required to calculate the fair value of these warrants at the date of issuance;
- Management applied judgment in determining the functional currency of Samco Gold Limited, Samco Gold Services (UK) Ltd., Samco Gold S.A. and 5R S.A. as United States dollars, based on the facts and circumstances that existed for the three months ended March 31, 2017;
- The Company applied judgment in the determination of the types of costs that are capitalized as mineral rights and exploration costs;
- Management applied judgment in determining whether the Company is able to continue as a going concern;
- Management applied judgment in the identification and estimation of deferred tax liabilities related to costs incurred by the Company;
- Management applied judgment in determining related party transactions; and
- Management has applied judgment in reviewing the carrying values of the mining properties to determine whether any impairment exists based on assumptions of current and future events or circumstances.

Mineral rights and exploration costs

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with IFRS and applicable guidelines for exploration stage companies. The policy is consistent with other exploration companies which have not established mineral reserves objectively.

An alternative policy could be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established, or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Financial Instruments and Other Instruments

The Company's financial instruments consist of the following:

Carrying Amount	Classification	As at March 31, 2017 ($)	As at December 31, 2016 ($)
Financial assets			
Cash and cash equivalents	Loans and receivables	997,327	1,433,877
Receivables	Loans and receivables	1,438,136	1,437,665
Financial liabilities			
Accounts payable and accrued liabilities	Other liabilities	1,422,328	1,497,900
Due to related parties	Other liabilities	1,472,520	1,462,373

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short term nature of their maturity.

The Company undertakes transactions denominated in foreign currencies, and as such, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed by maintaining low levels of foreign currencies and related obligations that are perceived to be volatile.

The carrying amount of the Company's foreign currency denominated assets and monetary liabilities as at March 31, 2017, and December 31, 2016, in United States dollars, is:

	As at March 31, 2017 ($)		As at December 31, 2016 ($)	
	Assets	Liabilities	Assets	Liabilities
Argentine pesos	4,623	260,397	4,686	257,581
United Kingdom sterling	114,957	14,614	145,655	41,460
Canadian dollars	14,993	48,858	58,573	73,023
	134,573	323,868	208,914	372,064

The Company's cash is predominantly held in United States dollars other than as needed in the ordinary course of business.

Disclosure of Outstanding Security Data

As at March 31, 2017, and the date of this MD&A, the Company has 65,076,075 issued and outstanding common shares. As at the date of this report, there are 300,000 stock options outstanding, of which none have a dilutive effect.

Shares	Number
Common shares outstanding as at December 31, 2016	65,076,075
Issued	-
Balance as at March 31, 2017, and May 30, 2017	65,076,075

Options	Number
Balance as at December 31, 2016	875,000
Cancelled	(75,000)
Expired	(500,000)
Balance as at March 31, 2017, and May 30, 2017	300,000

Disclosure Controls and Procedures

The Company is required to review and report on the effectiveness of its disclosure controls and procedures ("DC&P") in accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"), issued by the Canadian Securities Administrators. NI 52-109 requires a Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to certify that they are responsible for establishing and maintaining DC&P for the issuer, that DC&P have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's DC&P and that their conclusions about the effectiveness of those DC&P at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

Management, including the CEO and CFO, has evaluated the design of the Company's DC&P as at March 31, 2017, and has concluded that the DC&P are effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the period then ended.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. In addition, the design of any system of control is based upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all future events, no matter how remote, or that the degree of compliance with the policies or procedures may not deteriorate. Accordingly, the Company's DC&P are effective in providing reasonable, not absolute, assurance that the objectives of its disclosure control system have been met.

Internal Controls over Financial Reporting

NI 52-109 also requires CEO's and CFO's to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR") for the issuer, that the ICFR have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any change in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its ICFR.

The design and operating effectiveness of the Company's ICFR were evaluated by management in accordance with "Internal Controls over Financial Reporting – Guidance for Smaller Public Companies", as published by the Committee of Sponsoring Organizations of the Treadway Commission (1992) ("COSO"), and NI 52-109, as at March 31, 2017.

In its review, the Company's management has not identified any weaknesses that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. Based on this evaluation, management has concluded that the Company's ICFR are effective in providing reasonable assurance that its financial reporting is reliable and its consolidated financial statements are prepared in accordance with IFRS.

There were no changes in the Company's ICFR that, in the view of the Company's management, occurred during the three months ended March 31, 2017, or up to the date of this MD&A, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Risks and Uncertainties

Exploration, development and mining of mineral resources involve numerous inherent risks. The Company is subject to various financial, operational and political risks that could have a significant impact on its business and, once in production, profitability and levels of operating cash flows. Although the Company assesses and seeks to mitigate these risks by careful management of its activities, resources and employing qualified personnel, these risks cannot be eliminated. Such risks include, but are not limited to, the mining, business and country risks discussed below.

Mining Risk Factors

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining and processing facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

The Company's properties are in the exploration stage only and without a known body of commercially exploitable ore. Development of the Company's properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company will establish the existence of any mineral resource on any of its properties in commercially exploitable quantities. Until the Company can do so, it cannot earn any revenues from operations and if the Company does not do so it will lose all of the funds that it expends on exploration. If the Company does not discover any mineral resource in a commercially exploitable quantity, its business could fail.

The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programmes, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Resource Estimates

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves or mineral resources on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time will be determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper, iron or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long term growth.

Surface Rights

The Company must procure access rights or lease and/or acquire the necessary surface rights over the exploration area and must come to an agreement with the surface owner specifying the activity to be conducted prior to commencing exploration and/or production. This agreement usually includes the provision for use of water and other facilities that the owner may be in a position to provide, and the agreement must be filed with the mining authorities. There can be no assurance that the Company will continue to come to agreements with the surface owners of its properties and that it will lease and/or acquire all necessary surface rights, or lease and/or acquire such rights at prices currently contemplated. There are significant risks that the leasing and/or acquisition of all necessary surface rights could be delayed due to circumstances beyond the Company's control and any such delays could negatively impact the Company's development plans and result in additional expenses. However, the Argentinean Mining Code provides that mining or exploration activities take priority over the rights of the surface owner such that if for any reason it is not possible to reach an agreement with the owner, the Company can file a surety bond (a guarantee) in favour of the owner and start exploration.

Uninsurable Risks

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 and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premia or for 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.

Health, Safety and Environmental Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. The Company has rigorous procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident and is continually investing time and resources to enhance health and safety at its operations.

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. Permits from various governmental authorities are necessary in order to engage in mining operations in all jurisdictions in which the Company operates. Such permits relate to many aspects of mining operations, including maintenance of air, water and soil quality standards. In most jurisdictions, the requisite permits cannot be obtained prior to completion of an environmental impact statement and, in some cases, public consultation. Further, the Company may be required to submit for government approval a reclamation plan, to post financial assurance for the reclamation costs of the mine site, and to pay for the reclamation of the mine site upon the completion of mining activities.

Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available for business activities and could have a material adverse effect on the Company. Should the Company be unable to fully fund the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which may have a material adverse effect. The Company mitigates the likelihood and potential severity of these environmental risks it encounters in its day-to-day operations through the application of its high operating standards as dictated by Company management.

Business Risk Factors

Future Funding

As the Company has limited financial resources and no source of operating income the Company's continuing operations are dependent on its ability to secure equity and/or debt financing. There can be no assurance that future funding will be available to the Company for further exploration and development of the Company's properties, or to identify, evaluate and acquire, if appropriate, interests in other mineral properties. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions generally, the business performance of the Company, as well as the prevailing market prices for precious metals.

Country Risk Factors

Political and Economic Conditions

Regardless of the economic viability of the Company's interest in its properties it may be materially adversely affected by risk factors associated with conducting exploration and mining activities including political instability and violence, war and civil disturbance, acts of terrorism, expropriation or nationalization, inequitable treatment of non-domiciled companies, changing fiscal regimes, fluctuations in currency exchange rates, high rates of inflation, underdeveloped industrial and economic infrastructure and uncertainty of contractual rights which may prevent or restrict exploration, or mining, of some or all, of any deposits which the Company may find on its properties, and could affect the Company's ability to raise additional capital.

Argentinean Mining Operations

Regulators can have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition to the factors listed above, the Company's mineral exploration and potential future mining activities may also be affected to varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety regulation. Changes in the provincial, legislative and political landscape may also negatively affect the Company. Regardless of the economic viability of the Company's interest in its properties, and despite being beyond the Company's control, such factors may prevent or restrict mining of some or all of any deposits which the Company may find on its properties.

Argentina has been known to experience periods of high inflation. High inflation could increase the Company's operating costs relating to work carried out on the Company's properties. Also, the Company may not realize satisfactory terms in its negotiation of work contracts relating to the properties.

Difficulties in Conducting Business through a Foreign Subsidiary

The Company conducts part of its business through its Argentinean subsidiaries. Any limitation on the transfer of cash or other assets between the Company and its Argentinean subsidiaries or the perception that such limitation may exist now or in the future, could have an adverse impact on the Company.

Subsequent Events

Other than as disclosed herein, there are no subsequent events to report.

Company Outlook

Subject to market conditions, the Company's exploration program for 2017 will be to continue to further evaluate its Argentinean properties as well as to assess opportunities to supplement its existing portfolio through the acquisition of assets of quality.

The Company continually monitors its activities and associated expenditure closely to ensure effective deployment of resources.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com.