RED EAGLE MINING CORPORATION

Management's Discussion and Analysis

For the three months ended March 31, 2017

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Red Eagle Mining Corporation and its subsidiaries ("Red Eagle" or the "Company") during the three months ended March 31, 2017 and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company and the notes thereto for the three months ended March 31, 2017. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017 and the notes thereto and the audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Effective January 1, 2017, the presentation currency of the Company was changed from the Canadian dollar to the US dollar. As a result, all dollar amounts in this MD&A are expressed in US dollars, unless otherwise indicated. All prior period amounts have been adjusted to conform with the current year presentation. The change in presentation currency is to better reflect the Company's business activities and to improve comparability of the Company's financial results with other publicly traded gold mining businesses. Please refer to note 2 of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017.

Additional information related to Red Eagle is available on SEDAR at www.sedar.com and on the Company's website at www.redeaglemining.com.

This MD&A contains information up to and including May 15, 2017.

FORWARD-LOOKING INFORMATION

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 13 of this MD&A.

CORPORATE OVERVIEW

The Company was incorporated under the *Business Corporations Act (British Columbia)* on January 4, 2010. The Company completed its initial public offering ("IPO") on June 24, 2011 and commenced trading its common shares in Canada under the symbol "RD" on the TSX Venture Exchange ("TSX-V") on June 28, 2011. On September 20, 2016, the Company started trading on the Lima Stock Exchange under the symbol "R", and on November 4, 2016, the Company received final approval to graduate to the Toronto Stock Exchange ("TSX") and began trading on the TSX under the new symbol "R". The Company is also publicly listed on the OTCQX in the USA under the symbol "RDEMF".

The Company is a gold and silver company that is focused on building shareholder value through acquiring, developing and operating gold and silver projects with low costs and low technical risks in Colombia, a jurisdiction with prolific historic production but until recently limited modern exploration. The Company's primary project is the San Ramon Gold Mine and Mill. The Company also owns a 90% controlling interest in Red Eagle Exploration Limited ("Red Eagle Exploration") which holds exploration projects in Colombia.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Jeff Toohey, P.Eng., Vice President Exploration, who is a "Qualified Person" as defined under National Instrument 43-101.

COMPANY DEVELOPMENTS AND OUTLOOK

Development and Construction of the San Ramon Gold Mine and Mill

The Company commenced construction of the San Ramon Gold Mine and Mill in August 2015 after completing a positive feasibility study in October 2014, followed by permitting in March 2015 and project financing in August 2015. During the fourth quarter of 2016, construction and commissioning of the Mill was completed with first gold pour in November 2016. The processing facility has reached a steady operating throughput capability and underground mining is progressing at an increasing rate with the opening up of additional ore development headings. Commercial Production was declared at the end of Q1 2017. The criteria used by the Company to determine that the assets were operating in a manner intended by management was based on the processing plant at the Santa Rosa Project operating, over 30 consecutive days, at an average of at least 75% of design capacity.

2017 Key Pre-Commercial Production Metrics

Total		**Q1 2017**
Decline Development	(metres)	808
Ore Development	(metres)	589
Ore Mined	(tonnes)	34,210
Ore Processed*	(tonnes)	23,666
Au Produced*	(ounces)	1,758
Recovery*		90%
Average Per Day		
Development	(metres)	16
Ore Mined	(tonnes)	380
Ore Processed*	(tonnes)	763

**March only as processing commenced March 1, 2017*

Mine Development

Underground development continues to advance well in competent granodiorite without support at an average of 16 metres per day. The main and secondary ramps have advanced 2.8 kilometres from the portal. A 57 metre vertical ventilation shaft has been completed and connected to the underground workings.

Initial poor ground conditions were encountered in the stopes, particularly close to the saprolite contact and historic workings, resulting in slower mining rates and greater dilution than planned in start-up. Accordingly, the mining method has been adjusted to include conventional along with mechanized cut and fill stoping optimizing mining the narrower high grade veins and reducing dilution. Stope lengths have been reduced to 40 metres, a paste back fill program has been tested and is being implemented and ground controls have improved to minimize dilution.

COMPANY DEVELOPMENTS AND OUTLOOK (CONTINUED)

Mill

The processing facility commissioning is complete and exceeding design throughput with the capability to process up to 1,200 tonnes per day. The processing facility was batch processing lower grade stockpiles through February 2017. During March the Mill processed 763 tonnes per day. Higher grade ore was blended with lower grade stockpiles to ensure operating efficiency throughout March, moderately reducing recoveries from 93% to 90% during the month.

Safety

Operations have continued to adopt and promote best practices in safety with many awareness programs in place and monitoring occurring on a continuous basis. The results have been demonstrated in the safety statistics to date.

Social and Environmental

The Company continues to maintain positive relationships with and be involved with the local communities. Continuous information flow has been maintained with all stakeholders regarding the advances of the operations. The Company is committed to maximizing local employment and is proud to have already employed 56% of its workforce from the local municipality of Santa Rosa de Osos. Red Eagle Mining continues to strictly adhere to the terms of its Environmental License and the associated Environmental Management Plan. The Environmental Agency, along with local committees, has maintained a strict monitoring program as the project has progressed with visits at least monthly. The Company has received positive inspection reports from all inspections.

Outlook

Underground production crews continue to build on their expertise and efficiency. Production rates and grade continue to increase as the underground team adjusts to more controlled mining methods and additional production faces open up. The -100 and -125 metre levels, measured from surface, are currently being mined with seven ore development headings. The -150 metre level will be accessed during June with the additional faces allowing much more production flexibility.

The Mill is currently processing approximately 750 tonnes per day with planned shutdowns for routine maintenance when stockpiles are depleted. The current processing run commenced April 20 and is expected to continue through late May. With higher grade ore being processed recoveries are expected to return to 93%.

A mining stope delineation drill program is planned to commence in June and continue for the life of the mine. The 2016 drill program and underground face samples positively reconciled grade against the resource model.

Exploration drilling is currently underway testing the eastern extent of the San Ramon Gold Deposit and multiple targets approximately 3 kilometres to the west of the processing facility.

The Company declared commercial production at the end of Q1 2017 and expects to advance to positive cash flows from operations in Q2. Although the Company expects positive cash flows from operations in Q2, there is no guarantee that the Company will achieve positive cash flows, expected cash cost of production, or production targets during this optimization phase. Refer to Liquidity and Capital Resources section of this MD&A and note 1 to the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017. Production guidance for 2017 is 30,000 to 40,000 ounces of gold.

COMPANY DEVELOPMENTS AND OUTLOOK (CONTINUED)

Bought Deal Equity Financing

In February 2017, the Company completed a bought deal equity financing of 23,000,000 Common Shares at a price of CAD $0.75 per Common Share for aggregate gross proceeds of $13,118,868 (CAD $17,250,000). The Common Shares were issued by way of public offering pursuant to a short form prospectus dated February 14, 2017, and were underwritten by a syndicate of underwriters led by BMO Capital Markets and including National Bank Financial Inc. The net proceeds of the offering will be used to advance exploration of the Santa Rosa Gold Project and for working capital purposes.

Red Eagle Exploration Developments

Red Eagle Exploration, owns an option on the California Gold Project and owns 100% of each of the Vetas Gold and Santa Ana Silver Projects. Further detailed information on the mineral properties for Red Eagle Exploration can be found in its consolidated financial statements and MD&A for the year ended December 31, 2016.

California Gold Project

On February 15, 2017, Red Eagle Exploration announced an option to purchase 100% of six exploitation mining concessions from local miners for aggregate consideration of $5,683,764 in cash and $7,561,746 which is payable in shares of Red Eagle Exploration. Initial payments of $345,127 and 2,180,985 common shares of Red Eagle Exploration were paid upon closing.

On March 15, 2017, Red Eagle Exploration announced an option to purchase 100% of two additional exploitation mining concessions for aggregate consideration of $7,493,250 of which 50% is payable in cash and 50% is payable in shares of Red Eagle Exploration. Initial payments of $62,444 and 520,367 common shares of Red Eagle Exploration were paid upon closing.

The balance of the payments for both acquisitions are due over a two-year period subsequent to title transfer, at the option of Red Eagle Exploration. An additional payment is due three years from the date of title transfer equivalent to 1.5% of the value of gold and silver measured and indicated resources in the event that any are included in a NI 43-101 Technical Report. The eight properties, which collectively comprise the California Gold Project, total 250 hectares in the prolific California-Vetas Gold District located in Santander, Colombia.

Vetas Gold Project

On February 14, 2017, Red Eagle Exploration amended the pre-existing acquisition agreements for the San Bartolo and San Antonio properties, which together with other properties collectively comprise the Vetas Gold Project. A portion of the properties were affected by the delineation of the Paramo boundaries and the outstanding amount of the purchase price was reduced proportionately. As final payment, Red Eagle Exploration issued 4,550,000 common shares and paid $500,000 in cash with respect to the San Bartolo property and issued 116,700 common shares with respect to the San Antonio property.

Red Eagle Exploration has now settled all outstanding mineral property obligations.

MINERAL PROPERTIES

On April 15, 2011, the Company acquired 100% of the Santa Rosa Gold Project in Antioquia, Colombia. The Company subsequently consolidated the district through staking and additional acquisitions through 2012 and 2014. The initial project area including the San Ramon Gold Mine is subject to a 3% NSR royalty. The Company has the option to repurchase a 1% royalty for CAD $8,333,333 at any time during the first two years of commercial gold production. The remainder of the project is subject to a 0%, 1.5% or 2% NSR royalty depending on the concession.

During 2015, the Company also acquired a controlling interest in the public company, Red Eagle Exploration, which owns an option to acquire the California Gold Project and owns 100% of each of the Vetas Gold and Santa Ana Silver Projects. Further information on the mineral properties can be found in the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017 and this MD&A as well as the consolidated financial statements and MD&A for the year ended December 31, 2016.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2017 COMPARED TO THREE MONTHS ENDED MARCH 31, 2016

The Company recorded a loss of $2,591,383 for the three months ended March 31, 2017 compared to the loss of $144,614 for the three months ended March 31, 2016. The Company has a controlling interest in Red Eagle Exploration. Accordingly, the consolidated results of operations for the three months ended March 31, 2017, include a loss of $754,522 (2016 includes a loss of $597,200) related to Red Eagle Exploration.

Following is an analysis of the significant items and variances between the three months ended March 31, 2017 and March 31, 2016:

For the three months ended (thousands of US dollars)	**March 31, 2017**	**March 31, 2016**	
Salaries and benefits	**860**	431	Increase due to an increase in non-cash share-based payment expense and increased personnel as the Company ramps up the San Ramon Gold Mine and Mill.
Office and administration	**698**	544	Increase due to service fees and insurance costs as the Company ramps up the San Ramon Gold Mine and Mill.
Mineral property exploration costs	**554**	295	Mineral property exploration costs primarily consist of $331,468 exploration costs related to Red Eagle Exploration and $97,580 of exploration drilling costs for targets within the Santa Rosa Gold Project.
Professional fees	**73**	145	Decrease due to activities related to the acquisition of Red Eagle Exploration in prior year.
Foreign exchange loss (gain)	**222**	(1,360)	Decrease relates to a change in the functional currency, effective January 1, 2017, of the Company's subsidiaries to USD resulting in lower foreign exchange fluctuations.

SUMMARY OF QUARTERLY RESULTS

Following is a summary of quarterly results for the eight most recently completed quarters. These results are taken from the interim and annual consolidated financial statements of Red Eagle Mining Corporation, which are prepared in accordance with IFRS. The results are presented in thousands of US dollars except for per share amounts.

	For the three months ended March 31, 2017	For the three months ended December 31, 2016	For the three months ended September 30, 2016	For the three months ended June 30, 2016
Interest and other expense	88	40	68	35
Net loss attributable to equity holders	2,536	5,427	454	390
Basic and diluted loss per share	0.01	0.02	0.00	0.00

	For the three months ended March 31, 2016	For the three months ended December 31, 2015	For the three months ended September 30, 2015	For the three months ended June 30, 2015
Interest and other expense (income)	(3)	(10)	(17)	5
Net loss (income) attributable to equity holders	(66)	1,972	291	494
Basic and diluted loss per share	0.00	0.01	0.00	0.01

The analysis provided in the Results of Operations section above provides information regarding the movements during the three month periods ended March 31, 2017 and March 31, 2016. Due to the nature of operations, there is no significant seasonality in the business.

As at October 8, 2015, the Company acquired a controlling interest in Red Eagle Exploration. Accordingly, consolidated results of operation for the three months ended December 31, 2015 include a loss of $371,175 related to Red Eagle Exploration for the period from October 8, 2015 to December 31, 2015. Capitalization of direct costs associated with the development of the San Ramon Gold Mine and Mill and recognition of VAT taxes receivable were offset by a higher non-cash foreign exchange loss during the three months ended December 31, 2015.

For the three month period ended March 31, 2016, net income attributable to equity holders of the parent was a result of a non-cash foreign exchange gain and the capitalization of direct costs associated with the development of the San Ramon Gold Mine and Mill.

For the three month period ended June 30, 2016 and September 30, 2016, net loss attributable to equity holders of the parent was a result of higher general expenses due to increased activities and profile for the Company, as described above, and expenses associated with Red Eagle Exploration, which were partially offset by a higher non-cash foreign exchange gain.

For the three month period ended December 31, 2016, net loss attributable to equity holders of the parent increased due to a non-cash foreign exchange loss due to the weakening of the CAD against the USD during Q4 2016 on the USD denominated long-term debt and a higher share-based payment expense due to the grant of share purchase options as well as restricted and deferred share units to officers and directors.

SUMMARY OF QUARTERLY RESULTS (CONTINUED)

For the three month period ended March 31, 2017, net loss attributable to equity holders of the parent decreased compared to prior quarter due to the change in the functional currency, effective January 1, 2017, of the Company's subsidiaries to USD resulting in lower foreign exchange fluctuations, and the grant of non-cash share-based payments in the prior quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at (thousands of US dollars)	**March 31, 2017**	**December 31, 2016**	**December 31, 2015**
Working capital (deficiency)	(26,180)	(25,674)	(1,107)
Total assets	136,800	122,020	45,124
Total liabilities	87,506	84,591	24,206
Share capital	93,887	81,504	58,939
Deficit	50,257	47,736	42,788

As at March 31, 2017, the Company had a working capital deficiency of $26,179,655 (December 31, 2016: $25,673,840) with cash and cash equivalents of $5,916,962 (December 31, 2016: $4,202,170). The Company has incurred costs to complete the construction and commissioning of the San Ramon Gold Mine and Mill and ramp up into normal course operations, while not having recognized the benefit of material cash-flows from gold sales. Of this amount, $21,640,310 represents the current portion of long term debt due under the Credit Facility, within twelve months of the balance sheet date. Excluding the current portion of the long-term debt, the working capital deficiency is $4,539,345.

For working capital and exploration purposes, the Company completed a bought deal equity financing in February 2017 for gross proceeds of $13,118,868 (CAD $17,250,000) consisting of 23,000,000 common shares at a price of CAD $0.75 per share.

The Company relies on equity financings and the exercise of options and warrants to fund its operations. Many factors influence the Company's ability to raise funds including the health of the resource market, the climate for mineral exploration and development investment, the Company's track record, and the experience and caliber of its management and personnel. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of operational, development and exploration activities. There is no guarantee that the Company will be able to continue to secure additional financings in the future at terms that are favourable should the Company require additional funding.

The Company's operations to date have been financed by issuing equity, the sale of a royalty over a portion of the Santa Rosa property, and the use of proceeds from the credit facility. The Company's ability to continue operations in the normal course of business is dependent upon establishing positive cash flows from production at the San Ramon Gold Mine and Mill, which has not yet been achieved. The nature and significance of this in addition to the working capital deficiency and current portion of long term debt outstanding are conditions that may cast significant doubt about the appropriateness of the going concern assumption. Refer to Note 1 of the unaudited condensed interim financial statements.

OUTSTANDING SHARE DATA

Common shares

The authorized capital of the Company is an unlimited number of common and preferred shares (nil outstanding) without par value.

As at March 31, 2017, the Company had 264,725,121 common shares issued and outstanding (December 31, 2016: 241,005,121). As at the date of this MD&A, the Company had 265,025,121 common shares issued and outstanding.

In February 2017, the Company completed a bought deal financing for gross proceeds of $13,118,868 (CAD $17,250,000), consisting of 23,000,000 common shares at a price of CAD $0.75 per share.

During April 2017, 300,000 share purchase options with exercise prices ranging from $0.275 to $0.375 were exercised by employees and 37,500 share purchase options with an exercise price of CAD $0.80 were forfeited as unvested options for a former employee.

Warrants, Share Purchase Options, Deferred Share Units, and Restricted Share Units

As at the date of this MD&A, the Company had 5,000,000 warrants, 17,107,500 share purchase options, 625,000 deferred share units, and 975,000 restricted share units outstanding.

TRANSACTIONS WITH RELATED PARTIES

Key management, directors, and officers received the following salaries and benefits:

For the three months ended (thousands of US dollars)	**March 31, 2017**	**March 31, 2016**
Employee salaries and benefits	$ 246	$ 300
Share-based payments	550	15
Director fees	58	53
	$ 854	**$ 368**

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The following table provides outstanding balances and the total amount of transactions, which have been entered into by the Company with related parties during the three months ended March 31, 2017 and 2016:

For the three months ended	March 31, 2017	March 31, 2016
Purchases:		
Mine development costs by Stracon GyM to which its CEO, Steve Dixon, is a director and a shareholder of the Company	$ 4,748	$ 2,491
Rent, salary and related costs recharged from a company controlled by directors, Robert Bell, Tim Petterson, and Ian Slater	$ 178	$ 356
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which a director, Jay Sujir, is a partner	$ 99	$ 40

As at	March 31, 2017	December 31, 2016
Amounts owed:		
Stracon GyM to which its CEO, Steve Dixon, is a director and a shareholder of the Company	$ 8,647	$ 6,336
Farris, Vaughan, Wills & Murphy LLP in which a director, Jay Sujir, is a partner	$ 167	$ 69
Amounts due from:		
A company controlled by directors, Robert Bell, Tim Petterson, and Ian Slater, for prepayment of rent, salary and related costs	$ 15	$ 156

Related party transactions are in the normal course of business and measured at the amounts agreed upon by the parties.

CHANGES IN ACCOUNTING POLICIES

Standards and interpretations issued but not yet effective

The following new standards, and amendments to standards and interpretations, were not yet effective for the three months ended March 31, 2017, and have not been applied in preparing these unaudited condensed interim consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). The standard replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets From Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. The Company is assessing IFRS 15's impact on its financial statements and has not yet determined the impact.

CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments ("IFRS 9") which will replace IAS 39, Financial Instruments ("IAS 39"). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition and measurement of financial instruments with two classification categories: amortized cost and fair value. As well, under the new standard a single impairment method is required, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes a substantially reformed approach to hedge accounting that aligns accounting more closely with risk management. The Company is assessing IFRS 9's impact on its financial statements and has not yet determined the impact.

IFRS 16 Leases
In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology. The Company is assessing IFRS 16's impact on its financial statements and has not yet determined the impact.

FINANCIAL INSTRUMENTS

Refer to note 13 of the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017 for full disclosure regarding the Company's financial instruments. There has been no change in designation of financial instruments or nature of risks in the three months ended March 31, 2017. The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and long-term debt. The Company does not hold any complex financial instruments or derivatives. The cash is held to fund ongoing exploration and development work and head office costs and the cash equivalents are held to earn interest until they are needed to fund exploration work and head office costs.

Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents and amounts receivables. All cash and cash equivalents are on deposit with major Canadian or Colombian financial institutions.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by purchasing highly liquid, short-term investment-grade securities held at major financial institutions.

Interest rate risk

The Company has cash balances, investment-grade short-term deposit certificates issued by its banking institution and long-term debt under the credit facility. Interest income is not material to the Company. Advances under the credit facility will bear interest at the higher of LIBOR or 1%, +7.5%. The Company manages this risk by monitoring fluctuations in LIBOR, which are not expected to be significant, and has entered discussions with traditional bank financiers with a view to provide potential conventional debt financing, once commercial operations have been more fully established.

FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

Certain of the Company's cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities are in Colombian Peso ("COP"); therefore, COP amounts are subject to fluctuation against the US dollar.

The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically the COP peso. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant other price risk.

Liquidity risk and going concern

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's capital management objectives include working to ensure that it has sufficient liquidity to fund Company activities. The Company endeavours to ensure that it will have sufficient liquidity in order to meet short to medium-term business requirements and all financial obligations as those obligations become due. Historically, sufficient liquidity has been provided predominantly through external financing initiatives. In the event of material cost overruns, operational delays or decreases in gold or silver prices, the Company may continue to rely upon sources of external financing in future periods. There is no assurance that financing of sufficient amounts or on terms acceptable to the Company will be available. For further discussion, refer to note 1 of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017.

CAPITAL COMMITMENTS AND OFF BALANCE SHEET ARRANGEMENTS

The Company has commitments related to capital expenditures for the development and construction of the San Ramon Gold Mine and Mill and certain operational commitments as at March 31, 2017.

	Less than 1 year	1 - 5 years	More than 5 years	Total
Operational	6,479	6,581	1,663	14,723
	$ 6,479	**$ 6,581**	**$ 1,663**	**$ 14,723**

The Company may be involved in various claims or legal proceedings arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, will have a material impact on the financial condition or future results of operations of the Company.

RISKS AND UNCERTAINTIES

The Company is in the business of operating, acquiring, exploring and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks. For further discussion related to risks and uncertainties, please refer to the Company's annual information form and annual Management's Discussion and Analysis for the year ended December 31, 2016 available on SEDAR at www.sedar.com.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

As the Company became a non-venture issuer, as such term is defined in National Instrument 52-109 ("NI 52-109"), on November 4, 2016, the Company has filed the Chief Executive Officer and Chief Financial Officer certificate of interim filing under Form 52-109F2 which requires certification on design of controls but not effectiveness of controls.

APPROVAL

The Board of Directors has approved the disclosure contained in this MD&A on May 15, 2017. A copy of this MD&A is filed on SEDAR.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein.

Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: regulatory and permitting considerations, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below and including those referenced in the "Risks and Uncertainties" section of this MD&A, and, as a result they may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements.

FORWARD-LOOKING INFORMATION (CONTINUED)

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- regulatory risks relating to mineral tenure, permitting, environmental protection, taxation, and royalties;
- volatility of currency exchange rates, metal prices and metal production;
- financing, capitalization and liquidity risks;
- mineral exploitation and exploration program cost estimates;
- future and anticipated mine productivity and mill capacity of the San Ramon Gold Mine and Mill;
- future plans for the San Ramon Gold Mine and Mill including whether commercial production will continue as currently anticipated or at all;
- the ability to realize estimated Mineral resources and Mineral Reserves as contemplated in the Santa Rosa Technical Report, the Company's expectations that the San Ramon Gold Mine and Mill will be profitable with positive economics from mining, recoveries, grades and annual production;
- successful execution of the development plans set forth in the Santa Rosa Technical Report;
- the nature and impact of drill results and future exploration;
- the ability of the Company to satisfy all principal and interest payment under its credit facility;
- the ability of the Company to satisfy its working capital deficiency;
- other factors referenced under "Risks and Uncertainties"; and
- other risks normally incident to the acquisition, exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.