LATIN AMERICAN MINERALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE-MONTH S ENDED SEPTEMBER 30, 2018

Stated in Canadian Funds

Dated on: 29 November 2018

TO OUR SHAREHOLDERS

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Latin American Minerals Inc. ("Latin" or the "Company") should be read in conjunction with Latin's condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 and related notes therein.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars except where otherwise indicated. As at September 30, 2018, the Company had working capital of $62,267 and had reported a net loss of ($21,117,482) for the nine months ended September 30, 2018, has yet to achieve profitable operations and has an accumulated deficit of ($47,423,031). These continuing losses indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. The Company's ability to continue as a going concern is dependent upon the ability to obtain financing and to ultimately to achieve and maintain profitable operations. Should profitable operations not be achieved, the Company will be required to obtain supplementary funding. The ability of the Company to achieve these objectives cannot be assured at this time and accordingly, these matters may cast significant doubt on the Company's ability to continue as a going concern. The Company's consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, in which case adjustments that could be material to the carrying values of the assets and liabilities, the reported expenses and the statement of financial position reclassifications would be necessary.

Further information about the company, its operations and other continuous disclosure documents, including the Company's press releases and interim quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and are also available on the Company's website www.latinamericanminerals.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Expressed in Canadian Dollars

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors in the "Risk Factors" section below. Readers are cautioned that the preceding table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE OVERVIEW

Latin American Minerals Inc. is a mining and mineral exploration corporation focused on the discovery, acquisition and development of potential mineral deposits globally. The Company has a Uranium exploration project in Butt Township, Nipissing District, Ontario Canada.

The Company is listed on the TSX Venture Exchange (the "Exchange" or "TSX-V") where it trades under the symbol "LAT".

Prior to the sale of the Company's subsidiary in Paraguay, Latin American Minerals Paraguay SA ("**LAMPA**") effective September 1, 2018, the focus of activity in 2018 was the exploration of the X-mile and discovery trend while also completing the reconfiguration of the Independencia Mine at the Paso Yobai project in Paraguay.

The Company completed approximately 5,400 meters of exploration drilling as part of its 2018 exploration program. The drill campaign was targeting a geophysical conductor with a coincident soil anomaly of copper, zinc and lead. The source of the copper, zinc and lead soil anomaly was identified as a mafic sill with anomalous base metals. The Company was unable to identify the conductor in the drill program. The drill campaign has proven a strike length of 300m, however, the results did not hold the grades of gold that the Company had expected. All indications were that the Company would need to significantly expand its exploration program in order to fully delineate the potential of the Paso Yobai gold project.

The Company took the decision to fully write down the carrying value of its mineral property assets and property, plant and equipment related to the Paso Yobai Project as at June 30, 2018 (please refer to the Company's MD&A for the three and six months ended June 30, 2018 for further details). The Paso Yobai project was sold as part of the sale of LAMPA on September 1, 2108.

SIGNIFICANT EVENTS AND TRANSACTIONS TO THE PERIOD

On August 24, 2018, the Company announced that it initiated a strategic review process that is focused on maximizing shareholder value. The board of directors intends to undertake a comprehensive review to identify and consider a range of alternatives and their potential to enhance shareholder value, including the possible sale of all or substantially all of the assets of the Company, a merger or business combination with another party, a corporate sale, a strategic partnership or any combination of the forgoing. The Company does not intend to set a definite schedule to complete its evaluation process and cautions that there are no assurances or guarantees that the process will result in a transaction or, if a transaction is undertaken, terms or timing of such a transaction.

On August 24, the Company announced that it had entered into an option agreement with Griftco Corporation ("**Griftco**") pursuant to which the Company has been granted the right to earn a 100% ownership interest in the Butt Township uranium and rare-earth mineral property in Ontario on the following terms:

- Paid $50,000 and issued 5,000,000 common shares of the Company to Griftco on September 27, 2018, the date the TSX Venture Exchange granted approval of the transaction (the "**Effective Date**"). The shares were issued at a deemed price of $0.04 per share, the closing market price of the shares on the Effective Date.;
- the payment of $25,000, the issuance of 2,500,000 Common Shares to Griftco and the Company incurring $200,000 in expenditures on the Property on or before the first anniversary of the Effective Date;
- the payment of $25,000, the issuance of 2,500,000 Common Shares to Griftco and the Company incurring $200,000 in expenditures on the Property on or before the second anniversary of the Effective Date; and
- the payment of $25,000, the issuance of 2,500,000 Common Shares to Griftco and the Company incurring $500,000 in expenditures on the Property on or before the third anniversary of the Effective Date.

On October 29, 2018 announce the completion of a preliminary review of historical data on its Butt Township property (the "Property") and an initial proposed two-phase work program of approximately $200,000, staking of additional claims, and completion of the first option payment to the Property vendor.

SALE OF PASO YOBAI GOLD PROJECT IN PARAGUAY

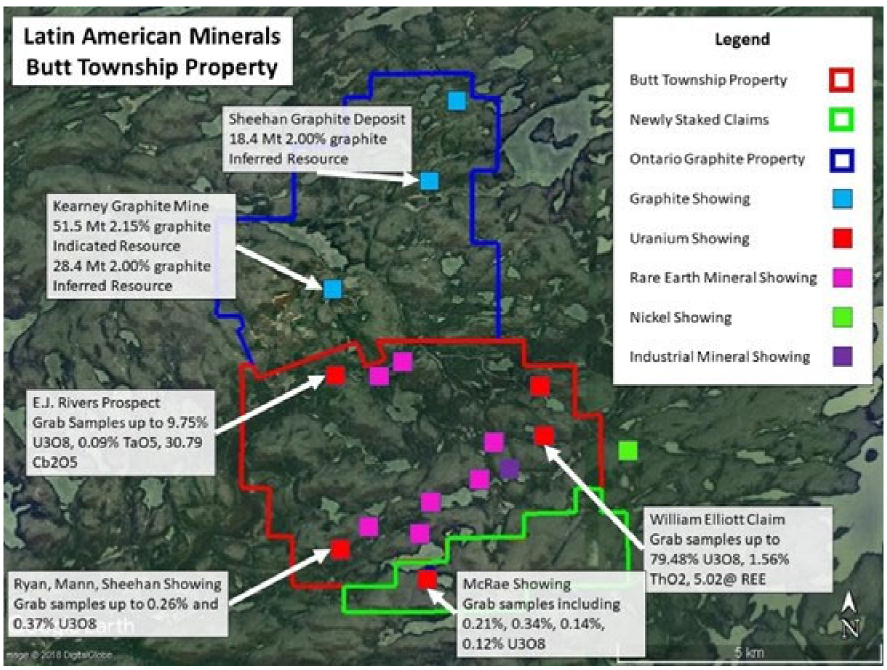
On September 12, 2018, the Company announced that it sold its 100% interest in its subsidiary Latin American Minerals S.A which controls 100% of the Paso Yobai Gold Project. The sale terminates all of the Company's rights and obligations related to the subsidiary. The subsidiary was sold to a local consortium. The sale was effective as of September 1, 2018 and formally closed once all the escrowed proceeds were received by the Company on September 12, 2018. Prior to the sale the Company had taken an impairment charge on all of the plant, equipment and mineral properties at the Paso Yobai project, reducing the carrying value of the assets to nil as at June 30 (see the Impairment of Property Plant and Equipment and Mineral Properties section in this MD&A). The Company realized a net gain on the sale as disclosed in Note 8 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018, of $3,108,036.

MINERAL EXPLORATION PROPERTIES

BUTT TOWNSHIP PROPERTY SUMMARY AND HIGHLIGHTS

The Property consists of 133 mineral claims covering approximately 1,621 hectares in Butt Township, District of Nipissing, Ontario. Uranium and rare-earth bearing pitchblende were discovered on the Property in the early 1900's. The Property lies within the Kiosk geological domain and is underlain by mafic, quartzo-feldspathic, and metapelitic geological units. These various geological units host radioactive granitic pegmatite dikes which contain minerals such as allanite, uraninite, pyrochlore, columbite, and other rare earth and uranium-bearing minerals.

Recent target-generation exploration work has been completed on the Property, including magnetometer and induced polarization geophysical surveys, geological mapping, and prospecting. The Property has never been drilled, but numerous historical trenching and small-scale mining operations have occurred on the Project. Advanced prospects on the Property include: the William Elliot & Mica Lake prospects, discovered in 1919 from which highly selective grab samples returned up to 79.5 % U3O8 along with high-grade rare earth elements; the Ryan, Mann and Sheehan prospect, discovered in 1921 from which selective grab samples returned up to 0.45 % U3O8 over a 3-foot chip sample; the E.J Rivers prospect, discovered in 1953 from which selective grab samples returned values of up to 9.75 % U3O8 along with high-grade rare earth elements. In addition, the Property is contiguous with Ontario Graphite's Kearney Mine property.



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PROPOSED WORK PROGRAM

A two-phase exploration program has been proposed for the Property, which will cost roughly $200,000. The first phase, which consists of low impact exploration, will involve: 25 line kilometres of line cutting and ground electromagnetics over known showings and surrounding areas to identify areas prospective for uranium and rare earth element mineralization, and to determine depth extent of known mineralization; a drone survey of 150 line kilometres which will provide a high resolution magnetic map to identify structures as well as an ultra-high resolution orthophoto to assist with prospecting; and a crew of prospectors and geologists will conduct a mapping and sampling program. Phase two of the proposed program consists of extensive surface trenching, mapping, and channel sampling in order to validate historical showings and test newly generated targets.

CLAIM STAKING

Following the review of historical and regional geological data, an additional 28 claims were staked. These claims cover the McRae Prospect, from which historical grab samples returned values of up to 0.21%, 0.34%, 0.12%, 0.14%, and 0.005% U3O8, and the interpreted extension of the uranium and rare-earth mineral bearing lithological units which are located at the margins of a magnetic high.

Expressed in Canadian Dollars

PROPERTY PAYMENT

Pursuant to the option agreement announced on August 24 between LAT and Griftco Corporation, LAT has made a cash payment of CDN $50,000 and issued a total of 5,000,000 common shares to Griftco.

QUALIFIED PERSON

A qualified person has not completed sufficient work to verify the historic information on the Property. Also note that the historical grab samples referenced above are selective in nature and may not be representative of mineralization on the Property. The information provides an indication of the exploration potential of the Property.

The technical information in this press release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 ("NI 43-101") and reviewed and approved by Kelly Malcolm, P.Geo., an Independent Qualified Person under NI 43-101. Mr. Malcolm is a technical advisor to the Company.

REFERENCES

Geophysical Survey Report on the Butt Township Property, Butt Township, District of Nipissing, Ontario, for Dan Patrie Exploration Ltd., Prepared by: L.D.S. Winter, P.Geo., 23 January 2012.

Ontario Mineral Deposits Inventory, December 1, 2017.

NI 43-101 Technical Report and August 2013 Mineral Resource Estimate, Kearney Graphite Property, Ontario, Canada, Authored by Greg Greenough, P.Geo., of Golder Associates, Effective Date August 30, 2013.

RESULTS OF OPERATIONS

	Three Months Ended Sep-30-2018	Three Months Ended Sep-30-2017	Percentage Change	Nine Months Ended Sep-30-2018	Nine Months Ended Sep-30-2017	Percentage Change
General and Administrative Expenses						
General and administration	$354,964	$229,847	54.4%	$704,443	$737,928	(4.5%)
Non-cash compensation options	0	125,091	(100.0%)	637,200	286,038	122.8%
Investor relations	254	9,575	(97.3%)	971	53,246	(98.2%)
Amortization	0	4,074	(100.0%)	56,012	14,745	279.9%
Net operating loss for the period	$355,218	$368,587	(3.6%)	$1,398,626	$1,091,957	28.1%
Interest expense	0	0	n/a	22,492	0	n/a
Impairment of property plant and equipment	0	0	n/a	1,315,037	0	n/a
Impairment of exploration and evaluation assets	0	0	n/a	21,516,557	0	n/a
(Gain) on sale of subsidiary	(3,108,036)	0	n/a	(3,108,036)	0	n/a
Foreign exchange (gain) loss	(28,295)	(80,119)	(64.7%)	(27,194)	20,539	(232.4%)
Net income (loss) for the period	$2,781,113	($288,468)	(1064.1%)	($21,117,482)	($1,112,496)	1798.2%
Income (loss) per share basic	$0.02	$0.00	n/a	($0.17)	($0.03)	466.7%
Foreign currency translation adjustments (gain) loss	$26,058	$842,424	(96.9%)	$374,795	($1,768,768)	(121.2%)
Comprehensive income (loss) for the period	$2,807,171	$553,956	406.7%	($20,742,687)	($2,881,264)	619.9%

A more detailed breakdown of General and Administration expenses is as follows:

Expressed in Canadian Dollars

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Professional fees (legal and accounting)	$ 181,518	$ 24,311	$ 201,868	$ 81,398
Management fees	131,660	113,130	377,120	322,206
Lisiting and transfer agent fees	8,461	5,185	29,015	29,014
Insurance (D&O and P&C)	4,732	19,588	8,532	30,897
Office	8,717	13,270	14,501	165,816
Travel	663	4,319	17,064	58,553
Paraguayan operating costs not capitalized to Mineral Property	19,213	50,044	56,343	50,044
	$ 354,964	$ 229,847	$ 704,443	$ 737,928

The net income for the three months ended September 30, 2018 was $2,781,113 compared to a net loss of ($288,468) for the three months ended September 30, 2017. The net income in the three months ended September 30, 2018 is a direct result of the gain realized by Company selling its 100% ownership interest in LAMPA. The gain was calculated as follows:

Net Book value of LAMPA on September 1, 2018	
Total Assets	$781,264
Total liabilities	(2,807,700)
Net book value of LAMPA	(2,026,436)
Gross proceeds	1,294,500
Less selling commission paid by the Company	212,900
Net proceeds received	1,081,600
Gain on sale	**$3,108,036**

Overall general and administration expenses increased by 54% compared to the three months ended September 30, 2017 as a result of an increase in professional fees (legal and accounting fees) related to the impairment charges recognized on June 30, 2018 as well as the sale of LAMPA during the period. The increase in professional fees accounted for $157,207, or more than 100% of the increase in General and Administration costs when compared to the three months ended September 30, 2017. Other elements of SG&A costs decreased, specifically the SG&A costs associated with the operation of LAMPA during the period, which decreased $30,831, or over 62% compared to the three months ended September 30, 2017. Management was focused on preserving capital once it was determined that the results fort eh 2018 exploration program at Paso Yobai was unsuccessful. The Company was focused on cost control during the period and was successful.

The net loss reported for the nine months ended September 30, 2018 was ($21,117,142) compared to a net loss of ($1,112,146) for the nine months ended September 30, 2017

The main components of the large increase in net loss for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 are as follows:

Impairment of Property Plant and Equipment and Mineral Properties

In accordance with the Company's accounting policy, operating mines are tested for impairment when events or changes in circumstances suggest that their carrying amount may not be recoverable. The Company generally uses a discounted cash flow model to determine the value in use ("VIU") for its operating mines where there are indicators of impairment. The assessment is done at the CGU level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. A CGU is generally an individual operating mine and its related long-term assets. An impairment loss is recognized when the carrying amount of the CGU exceeds the recoverable amount.

The Company considered the lack of available mineral resources in the area with which to feed the plant, its inability to raise sufficient capital to continue funding the mining and milling operations during the three months ended June 30, 2018 as an indicator of possible impairment for its mining and milling assets at the Paso Yobai project. Accordingly, management performed an impairment assessment for the mining operations as at June 30, 2018.

The VIU was determined based on the NPV of future cash flows expected to be generated using the most recent life of mine plans. Future gold prices are estimated based on observable market or publicly available data to estimate future revenues and operating costs estimated based on current costs adjusted for anticipated changes. The future cash flows for the Paso Yobai mining and milling CGU was discounted using comparable discount rates (12%-14%) for similar companies with similar market risk factors. The outcome of this assessment led the Company to recognize an impairment loss relating to its Pao Yobai mining and milling operation of $1,315,037 before tax, which was applied against property, plant and equipment.

In accordance with the Company's accounting policy, it makes certain estimates and assumptions regarding the recoverability of the carrying values of property rights, evaluation and exploration assets. The amounts shown for evaluation and exploration costs do not necessarily represent present or future values. The recoverability of the assets' carrying values is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permits to complete development and future profitable production or proceeds from the disposition thereof. Results from the Company's recently completed 5,400-meter exploration program were not sufficient to allow the Company to make a determination of economically recoverable resources and reserves or enable the Company to obtain the necessary financing to continue with its exploration and evaluation activities. Furthermore, the exploration results have not enabled management to estimate the net realizable value from the sale of, or partnership with third parties on the future development of, the Paso Yobai exploration project. The outcome of this assessment has led the Company to recognize an impairment loss relating to its Pao Yobai exploration project of $21,516,557 before tax, which was applied against Mineral Properties.

The two impairment charges accounted for the majority of the increase in the net loss for the nine months ended September 30, 2018 when compared to the nine months ended September 30, 2017.

Other costs and expenses

The Company's continued focus on cost control during the nine months ended September 30, 2018 was largely offset by a onetime increase in professional and legal fees that were incurred as part of the impairment charges taken as well as other costs associated with the sale of its subsidiary and acquisition of the Butt Township Property Option. Overall General and Administrative costs incurred in the nine months ended September 30, 2018 decreased 4.5% when compared to the nine months ended September 30, 2017.

The decrease in general and administrative costs was partially offset by an increase in both the amortization and interest expense costs recognized during the nine months ended September 30, 2018 when compared to the nine months ended September 30, 2107.

During the nine months ended September 30, 2018, non-cash compensation costs of $637,200 associated with the granting of options to Officers, Directors, Employees and Consultants increased by approximately 122.8% when compared to the nine months ended September30, 2017.

The Company curtailed much of its investor relations activity with outside consultants during the period as members of the management team became more active in these activities when compared to the prior period.

The foreign exchange gains and losses incurred are a result of fluctuations of the value of currencies in which the Company and its subsidiaries operate.

Expressed in Canadian Dollars

SUMMARY OF QUARTERLY RESULTS

Three months ended	Sep-30-2018	Jun-30-2018	Mar-31-2018	Dec-31-2017	Sep-30-2017	Jun-30-2017	Mar-31-2017	Dec-31-2016
	$	$	$	$	$	$	$	$
Total revenue	-	-	-	-	-	-	-	-
Profit (loss) for the period	$2,807,171	($23,007,580)	($891,015)	($1,326,124)	($288,469)	($403,904)	($420,124)	($1,280,000)
Comprehensive profit (loss)	$2,807,171	($22,785,002)	($764,857)	($2,558,483)	$553,956	($1,870,835)	($283,440)	($1,028,594)
Income (loss) per share	$0.02	($0.20)	($0.01)	($0.01)	$0.00	($0.02)	$0.00	($0.02)
Total assets	$1,279,420	$301,920	$22,078,158	$22,246,423	$20,721,199	$21,609,000	$21,275,000	$21,480,000
Working capital (deficiency)	$62,267	($2,003,252)	($1,016,887)	($34,126)	($683,509)	$55,000	($854,000)	$282,000

The comprehensive income for the three months ended September 30, 2018 was the result of the gain recognized during the period from the sale of 100% of the Company's ownership interest in the Company's LAMPA subsidiary.

Expressed in Canadian Dollars

EXPLORATION AND EVALUATION ASSETS

	Butt Township	Paso Yobai	Itapoty	Total
Carrying value				
Balance January 1, 2017	**$0**	**$18,862,139**	**$0**	**$18,862,139**
Additions	-	2,067,598	-	2,067,598
Disposals	-	-	-	-
Interest capitalized	-	43,806	-	43,806
Amortization	-	335,204	-	335,204
Provision for environmental remediation	-	181,309	-	181,309
Write-down of mineral property	-	(876,791)	-	(876,791)
Foreign exchange	-	(1,498,426)	-	(1,498,426)
Balance December 31, 2017	**$0**	**$19,114,839**	**$0**	**$19,114,839**
Additions	150,000	1,734,793	-	1,884,793
Disposals	-	-	-	-
Interest capitalized	-	2,792	-	2,792
Amortization capitalized	-	-	-	-
Provision for environmental remediation	-	-		-
Impairment of mineral property (Note 7)	-	(21,516,557)	-	(21,516,557)
Foreign exchange	-	664,133	-	664,133
Balance September 30, 2018	**$150,000**	**$0**	**$0**	**$150,000**

During the nine months ended September 30, 2018 the Company recorded an impairment charge against the value of its Mineral Property assets as discussed earlier in this MD&A. The impairment resulted in the carrying value of the mineral property assets being reduced to nil as at June 30, 2018 prior to their ultimate disposition as part of the sale of 100% of the Company's ownership interest in its LAMPA subsidiary on September 1, 2018.

The Company capitalized the payment of $50,000 in cash and the issuance of 5,000,000 shares to Griftco under the Butt Township Option Agreement that was entered into on August 24, 2018.

<u>Provision for mineral property reclamation</u>

The sale of 100% of the Company's ownership interest in its LAMPA subsidiary also saw the purchaser assume responsibility over any and all reclamation obligations in LAMPA, reducing the amount of reclamation obligation to *nil* as at September 30, 2018 (December 31, 2017 – $392,635).

OUTSTANDING SHARES

As at September 30, 2018 and the date of this report the Company had 134,680,420 common shares, options outstanding of 10,445,000 and 61,382,126 warrants outstanding.

FINANCIAL POSITION AND LIQUIDITY

As at September 30, 2018 the Company's financial instruments consist of cash, sales tax recoverable; accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

As at September 30, 2018 the Company had a working capital of $67,267 compared to working capital deficiency of ($34,126) as at December 31, 2017.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Interim Condensed Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash and cash equivalents, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at September 30, 2018 and December 31, 2017 due to the immediate or short-term maturities of the financial instruments.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, sales tax recoverable, accounts payable and accrued liabilities. At September 30, 2018, the carrying value of cash and cash equivalents investments is fair value. Accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. Thus, the credit risk associated with other receivables is also considered to be negligible.

d) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

e) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company incurs certain expenditures in Paraguayan Guarani and in US dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company or subsidiary that holds the financial asset or liability. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Canadian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of foreign currency financial assets and liabilities in Canadian dollars as at September 30, 2018 was as follows:

Canadian Dollar amounts of foreign currency assets and liabilities

	Assets	Liabilities
Paraguayan Guarani	$9,221	$0
US Dollars	$1,035,046	$687,048

Based on the financial instruments held as at September 30, 2018, a 10% shift in the Canadian dollar against these foreign currencies, with all other variables held constant, would result in an impact of $104,427 on the Company's loss for the year. The Company's deficit would have changed by $104,427 had the Canadian dollar shifted by 10% as a result of foreign exchange effect on translation of non-Canadian dollar denominated financial instruments.

f) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

As at September 30, 2018, the Company had a working capital of $62,267 (December 31, 2017 – ($34,126)) and anticipates that operating activities will not provide sufficient funds to cover all the Company's expenditures for the next 12 months. Cash constraints have caused the Company to consider financing alternatives while contemplating minimal shareholder dilution.

The Company's potential sources of cash flow in the upcoming year will be, possible equity financings, loans, lease financing and entering into joint venture agreements; or any combination thereof.

RISKS RELATED TO PROPERTY TITLE

Although the Company has taken steps to verify the title to the properties on which it is conducting its exploration, development and mining activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unrestricted prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's mining and exploration activities are subject to laws and regulations relating to the environment, which are continually changing, and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to remain in compliance.

CAPITAL RESOURCES

The Company has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It will be necessary for the Company to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although the Company successfully completed a financing during the current period, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company’s capital consists of shareholders’ equity. The Company’s objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company’s approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2018 and as at the date hereof.

Expressed in Canadian Dollars

RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the notes to financial statement are as follows:

Name and principal position	Year	Remuneration or fees (1)	Share based payments (1)	Included in accounts payable (1)
Mathew Wilson, CEO - management fees[2]	**2018**	**$90,000**	**$64,364**	**-**
	2017	-	-	-
Dennis Logan, CFO - management fees[2]	**2018**	**$63,000**	**$38,618**	**-**
	2017	-	-	-
Bira De Oliveira, COO - management fees	**2018**	**$77,466**	**$64,364**	**$21,921**
	2017	-	-	-
Jeremy Niemi, Director of Exploration[2]	**2018**	**$69,500**	**$128,727**	**-**
	2017	-	-	-
Directors -director fees	**2018**	**$2,000**	**$218,836**	**-**
	2017	-	-	-
Basil Botha, former CEO – management fees	**2018**	-	-	-
	2017	$25,000	-	-
Miles Rideout, former CEO – management fees	**2018**	-	**-**	**-**
	2017	13,000	-	$12,300
Clearline CPA (Grant T. Smith), former CFO – management fees	**2018**	-	-	**$2,800**
	2017	$63,000	-	$14,700
Cameron Tymstra, former COO – management fees	**2018**	-	**-**	-
	2017	$77,500	-	$10,000
Michael Hepworth, former Director – management fees	**2018**	-	**-**	**-**
	2017	$20,000	-	-

(1) Amounts disclosed were paid or accrued to the related party during the nine months ended June 30, 2018 and 2017.

(2) Amounts paid to the individuals indirectly through companies controlled by the related party.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

SEGMENTED INFORMATION

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

As at September 30, 2018 all of the Company's non-current assets were located in Canada. As at December 31, 2017, all of the Company's non-current assets were located in South America.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New Accounting Standards Issued and Adopted in the Current Period and Recent Accounting Pronouncements Not Yet Adopted

New Standards adopted in the Current Period

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Overall, the implementation of IFRS 9 has not had a significant impact on the Company's financial assets. The adoption of this amendment did not have an impact on the Company's unaudited condensed interim consolidated financial statements.

New standard IFRS 15 "Revenue from Contracts with Customers"

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Overall, the implementation of IFRS 15 has not had a significant impact on the Company's revenue recognition. The adoption of this amendment did not have an impact on the Company's unaudited condensed interim consolidated financial statements.

Recent Accounting Pronouncements not yet adopted

Recent Accounting Pronouncements have been issued by the IASB. The Company is assessing the impact of these new standards on future consolidated financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact on the Company have been excluded herein.

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. While the Company is currently evaluating the impact, this new guidance will have on its consolidated financial statements, the recognition of certain leases is expected to increase the assets and liabilities on the consolidated statements of financial position.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to extract and process minerals, explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed.

The Company files applications in the ordinary course to renew the permits associated with its mining and exploration licenses that it deems necessary and/or advisable for the continued operation of its business. Certain of the Company's permits to operate that are associated with the mining license are currently under application for renewal. There is no guarantee that the Company will be able to renew any or all of the necessary permits in order to continue operating and conducting exploration activities on areas covered by licenses and permits that are not renewed or are revoked.

At present the principal activity of the Company is the exploration and development of resource properties. The feasible development of such properties is highly dependent upon the price of ore commodities. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

The success of exploration programs, development programs and other transactions related to mining concessions could have a significant impact on the need for capital. If the Company decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

The Company has pledged certain of its assets as security in order to obtain additional capital through loans. Should the Company fail to pay or remedy an event of default (as defined under the loan agreements) the holder of the security would then be able to seize and dispose of the secured assets.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis on November 29, 2018.

A CAUTIONARY NOTE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation 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 to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted on behalf of the Board of Directors,

"Mathew Wilson"

Mathew Wilson
President & CEO