

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

MARLIN GOLD MINING LTD.

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The following Management Discussion and Analysis ("MD&A") of Marlin Gold Mining Ltd. (the "Company or "Marlin") has been prepared as of November 28, 2016. All dollar amounts are expressed in Canadian dollars unless otherwise stated (US$ represents United States dollars). This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the notes thereto for the three and nine months ended September 30, 2016 and the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2015. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reports including International Accounting Standard 34 – Interim Financial Reporting. Additional information relating to the Company is available under the Company's profile on the SEDAR website at www.sedar.com.

This MD&A contains forward looking information as further described in the "Cautionary Statement on Forward Looking Information" at the end of this MD&A. Reference to the risk factors described in the "Cautionary Statement on Forward Looking Information" at the end of the MD&A is advised.

DESCRIPTION OF BUSINESS

Marlin is a Canadian public company listed on the TSX Venture Exchange ("TSX-V") under the symbol "MLN" and is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario. The Company also trades on the OTCQX International under the symbol "MLNGF". Marlin is primarily engaged in the exploration for, development of and production of gold in the Americas and acquiring royalty streaming agreements.

The Company has an unlimited number of authorized common shares of which 172,927,719 are issued and outstanding at the date of this MD&A (179,055,219 on a fully diluted basis). Wexford Spectrum Trading Limited ("WST") and Wexford Catalyst Trading Limited ("WCT"), (together the "Wexford Funds") are the Company's largest shareholders and hold, directly or indirectly, 84.41% of the Company's issued and outstanding common shares.

The Company has three main assets:

1. The La Trinidad gold mine in Sinaloa, Mexico.
2. The Commonwealth development project in Arizona, USA.
3. Sailfish Royalty Corporation, the company's wholly owned Royalty Company, with a cornerstone asset in Nueva Segovia, Nicaragua.

The Company's operating mine is the Taunus deposit at the La Trinidad property, located in Sinaloa, Mexico. The Taunus deposit hosts the historic La Trinidad mine that was operated by Eldorado Gold Corporation ("Eldorado") from 1996 until 1999. Marlin's management, which has extensive mine development experience in Mexico, brought the La Trinidad mine back into commercial production on November 1, 2014.

On May 21, 2015, the Company acquired Commonwealth Silver and Gold Mining Inc. ("Commonwealth"), a privately held entity that owned interests in the Commonwealth Project, the Blue Jeep, San Ignacio and Six Mile Hill properties in Arizona, United States. Refer to the section Review of Properties for additional details regarding the acquisition of Commonwealth.

During the year ended December 31, 2014, the Company incorporated a royalty streaming company, Sailfish Royalty Corp. ("Sailfish"). Sailfish's cornerstone asset is a gold stream on the San Albino deposit in Nueva Segovia, Nicaragua acquired in July 2014 from Golden Reign Resources Ltd. ("Golden Reign" or "GRR"). Refer to the section Review of Properties for additional details regarding Golden Reign. The Company also owns 30.9 million shares of Golden Reign representing 19.9% of the outstanding common equity of GRR.

2016 FINANCIAL HIGHLIGHTS AND MAJOR ACTIVITIES

- Revenues of $9.4 million in 2016 (2015 - $20.2 million).
- Sale of 5,651 (2015 – 13,529) ounces ("oz.") of gold in 2016 from La Trinidad.
- Net loss of $5.4 million (2015 - $32.1 million) and $17.0 million (2015 - $53.5 million) for the three and nine months ended September 30, 2016, respectively.
- Production of 5,106 (2015 – 12,471) oz. of gold from La Trinidad, at September 30, 2016.
- Cash was $0.7 million (December 31, 2015 - $2.8 million) at September 30, 2016.
- Increased the term facility with the Wexford Funds by an additional US$5.5 million ("Wexford Loans") during the nine months ended September 30, 2016. The Wexford Loans as at September 30, 2016 totalled US$35.5 million.
- The maturity date of the Wexford Loans was extended by an additional year to January 15, 2018 and the annual interest rate was reduced from 15% to 8%.
- The Company completed a normal course issuer bid (the "NCIB"), whereby the Company purchased 2 million common shares in the capital of the Company. All common shares acquired by the Company under the NCIB have been returned to treasury and cancelled.
- In February 2016, the Company changed mining contractors at the La Trinidad mine to increase the efficiency at the mine.
- The new mining contractor began operating at full capacity in April 2016.
- In May 2016, the Company completed a Rights Offering at a price of $0.30 per share and issued 43,340,680 common shares for gross proceeds of $13 million.
- The Company disposed of 20.7 million Canarc Resource Corp. ("Canarc") shares for gross proceeds of $1.5 million, reducing the Company's ownership to less than 1%.
- On May 18, 2016, the Company began mining the upper levels of the high grade HS Zone. It is expected that high grade production will ramp up over the remainder of 2016.
- On May 30, 2016, Canarc completed the sale of El Compas to Endeavour Silver Corp. ("Endeavour"). Endeavour will now assume Canarc's obligation to pay an aggregate of 165 troy ounces of gold from production to the Company and the 1.5% Net Smelter Return ("NSR").
- The Company disposed of the remaining 500,000 Canarc Resource Corp. ("Canarc") shares for gross proceeds of $40,000.
- On July 22, 2016, the Company completed a non-brokered private placement for $6.5 million and issued 13 million common shares to the Wexford Funds. The use of proceeds was to exercise property options at Commonwealth.
- On July 15, 2016 the Company entered into a series of agreements with various landowners to acquire the surface and mineral rights of approximately 3,400 acres surrounding the patented mining claims of the Commonwealth Project for approximately US$3.6 million (US$1.7 million – paid).
- On August 24, 2016, the Company completed a bought deal brokered private placement of common shares (the "Brokered Offering") with Red Cloud Klondike Strike Inc. (the "Underwriter"). The Company sold 2.4 million common shares ("Shares"), including 430,000 pursuant to the partial exercise by the Underwriter of its over-allotment option, at a price per Share of $0.50 for gross proceeds of $1.2 million.

In addition to the Brokered Offering, the Company also accepted, on a non-brokered basis, a subscription for 600,000 Shares at a price per Share of $0.50 for gross proceeds of $300,000 (the "Non-Brokered Offering", together with the Brokered Offering, the "Private Placement").

In connection with the Brokered Offering, the Underwriter received a cash commission equal to 7.0% of the gross proceeds raised under the Brokered Offering, excluding gross proceeds from the sale of Shares to insiders and certain President's List subscribers. In connection with the Non-Brokered Offering a finder's fee equal to 7.0% of the gross proceeds raised from the Non-Brokered Offering was paid to PI Financial Corp. Net proceeds of the Private Placement will be used to advance drilling and development of the Commonwealth Silver and Gold Project and for general corporate purposes.

- On September 15, 2016, the Company began consistently mining the high-grade HS Zone at La Trinidad.

Subsequent to September 30, 2016:

- On October 5, 2016, the Company received $885,414 (US$671,684) in insurance proceeds.
- On October 21, 2016, the Wexford Funds loaned $2.7 million (US$2 million) increasing the Wexford Loan B to US$37.5 million.
- On October 28, 2016, the Company received $93,211 (US$69,644), the cash equivalent of 55 troy ounces of gold, of the Deferred Consideration Receivable.
- Up to the date of this MD&A, the Company has stacked an additional 37,000 oz. of gold to the leach pad and has produced an additional 6,674 oz. The year to date production from La Trinidad is currently at 11,780 oz. of gold.

REVIEW OF PROPERTIES

Marlin's properties are located in the state of Sinaloa, Mexico and in Arizona, U.S.A. The properties located in Sinaloa are categorized as two discreet areas: the southernmost concessions falling within the La Trinidad concession grouping and the northern concessions falling within the El Rosario concession grouping.

La Trinidad Area (hosting the Taunus Deposit)

The Trinidad Area consists of nine claims of mineral concessions that are either owned by, or optioned to, the Company. The La Trinidad Area is located in an area having excellent infrastructure. It is 90 kilometres southeast of Mazatlan and includes the former La Trinidad open-pit gold mine, previously operated by Eldorado from 1996 to 1999.

Three concessions within the La Trinidad Area are subject to an option to purchase agreement (as amended) that includes an additional two concessions that fall outside the area. Pursuant to such agreement (as amended), the Company has the option to purchase the three concessions over nine years for a total payment of US$600,000. Having made payments totalling US$430,000 in accordance with the agreement's scheduled payments, the option to purchase agreement is in good standing as of the date of this MD&A. The last payment of US$170,000 was due on March 22, 2015. At the request of the option holder, management amended the payment terms whereby the Company paid US$113,000 in May 2015 (paid) and paid US$57,000 in the second quarter of 2016.

The following agreements, which remain in good standing at the date of this MD&A, were entered into with the community and land occupiers falling within the La Trinidad Area in anticipation of future development and production at La Trinidad mine:

El Compas (hosting the El Compas deposit)
El Compas hosts the historic El Compas mine and consists of 24 mineral concessions and 1 application located in the state of Zacatecas which are subdivided into two properties, El Compas and Altiplano.

El Compas
On December 31, 2014, management concluded no further exploration or evaluation was planned for this property and an impairment provision of $7.8 million was recorded against the carrying amount of El Compas. The estimated recoverable amount of El Compas was based on management's best estimate of the fair value less costs of disposal as at December 31, 2014 based upon interest expressed by third parties and in situ values.

On October 30, 2015, the Company completed the sale with Canarc whereby Canarc acquired 100% of the shares in the Company's wholly owned subsidiary company, Oro Silver (the "Canarc Transaction"), which owns the fully permitted El Compas in Zacatecas, Mexico. Based on the purchase agreement, the Company received a total of 19,000,000 Canarc common shares in exchange for a 100% interest in Oro Silver. Additionally, on each of the first three anniversaries of the closing date, 55 troy oz of gold (or the US dollar equivalent) will be paid by Canarc to the Company. Upon the sale, a loss of $417,888 was realized in the year ended December 31, 2015.

The Company received a 1.5% NSR on all Non-Altiplano claims (the "Non-Altiplano NSR") that currently have no royalty associated with them.

Concurrently with the Canarc Transaction, the Company participated in a private placement of units of Canarc (the "Canarc Private Placement") with each unit consisting of one common share (the "Canarc Shares") and one-half of one warrant to acquire a common share of Canarc at a price of $0.08 per common share for a period of 36 months from the date of issuance (the "Canarc Warrants"). The Company acquired 1.7 million units consisting of 1.7 million Canarc Shares and 0.8 million Canarc Warrants pursuant to the Canarc Private Placement at a price of $0.06 per unit for aggregate consideration of $100,000.

Immediately following the Canarc Transaction, the Company owned a total of 20.7 million common shares of Canarc representing approximately 10.8% of Canarc's issued and outstanding common shares and 0.8 million warrants of Canarc. Assuming exercise of all of the Canarc Warrants held by the Company, an aggregate of 21.5 million common shares would be owned by the Company, representing approximately 11.2% of Canarc's issued and outstanding common shares.

On March 3, 2016, the Company participated in Canarc's private placement acquiring 500,000 units of Canarc for gross proceeds of $45,000. Each Canarc unit is comprised of one common share and one-half share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.12 for a three year period. Following this participation, the Company's interest in Canarc decreased from 12% to 9.9%.

During the nine months ended September 30, 2016, the Company disposed of 21.2 million Canarc shares for gross proceeds of $1.5 million, reducing the Company's ownership to less than 1%. On May 30, 2016, Canarc completed the sale of El Compas to Endeavour. Endeavour will now assume Canarc's obligation to pay an aggregate of 165 troy ounces of gold from production to the Company and the 1.5% NSR.

Commonwealth Silver and Gold Mining Inc.
On May 21, 2015, the Company completed the acquisition of all the issued and outstanding common shares of Commonwealth, a privately held entity, by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "Commonwealth Arrangement"). The total cash consideration paid to the Commonwealth shareholders was $7.4 million. As part of the consideration, the Company also advanced

$1.5 million to settle liabilities and assumed the $2.6 million bridge loan that was provided to Commonwealth by the Wexford Funds ("the Commonwealth Bridge Loan"). The Company also agreed to advance Commonwealth $400,000 to pay a third party a breakaway fee. Total purchase consideration was $9.9 million.

The acquired resource properties include interests in the Commonwealth Project and the Blue Jeep, San Ignacio and Six Mile Hill properties (collectively, "Other") in Arizona, United States.

(a) Commonwealth Project

On February 11, 2011, Commonwealth (US), signed a definitive lease with option to purchase agreement (the "Commonwealth Agreement"), with the underlying property owners to acquire an 88% interest in eight patented mining claims hosting the historic Commonwealth Mine and 100% of the mineral rights on ten adjoining unpatented mining claims in Cochise County, Arizona. To maintain the Commonwealth Agreement, the Company is required to make option payments totaling US$4.5 million (paid) over a five year period. These mineral claims are subject to a 2% NSR royalty on all mineral production from the unpatented mining claims and on 88% of mineral production from the patented mining claims, up to 1% of which can be bought back at any time at the Company's discretion for US$2.0 million in two separate payments of US$1.0 million, each for 0.5%.

There is no minimum annual work commitment in addition to the property option payments. The payments can be accelerated at any time at the Company's discretion. Upon completion of the property option payments, title in the mining claims will be transferred to the Company. The US$4.5 million in property option payments represents an advance against the future NSR. Accordingly, in the event that the property goes into production, the entire amount of the purchase price of the property will be recovered through a credit for pre-payment of the first US$4.5 million of the NSR. The Company shall have the right to transfer its interest in the property at all times and the property can be abandoned by the Company at any time with no further amounts owing. During 2011, Commonwealth (US) completed the outright purchase of an additional 10% interest in the eight patented mining claims, covered by the Commonwealth Agreement, from a separate group of property owners, bringing the Company's interest in the Commonwealth Project to 98%. There is no royalty on this 10% interest. In addition, Commonwealth (US) also acquired a 100% ownership interest in the mineral rights on twelve unpatented mining claims and mineral and surface rights on a private parcel of land, all adjoining the mining claims covered by the Commonwealth Agreement.

On March 4, 2016, the Company acquired a parcel of land directly abutting the south end of the property that hosts the primary deposit at the Commonwealth Silver and Gold Project in Cochise County, Arizona for US$750,000. The acquisition is anticipated to expedite permitting at Commonwealth, and is expected to save at least US$2.5 million in improved logistics (mainly through shortened haul distances) over the course of the project's life.

(b) Other (Blue Jeep, San Ignacio, Six Mile Hill Projects)

On January 25, 2011, Commonwealth (US) signed a definitive lease with option to purchase agreement (the "Cartmell Agreement"), with the underlying property owners to acquire a 100% interest in the mineral rights on thirty-four unpatented mining claims in Cochise County, Arizona. These mining claims surround the historic Commonwealth Mine in Pearce, Arizona and include the Blue Jeep, San Ignacio and Six Mile Hill properties. The Blue Jeep property consists of ten contiguous mining claims known as Blue Jeep 1 through 9 and the Brindle Steer. The San Ignacio property consists of eighteen mining claims

known as San Ignacio 1 through 18. The Six Mile Hill property consists of six mining claims known as San Ramon 1 through 6.

To maintain the Cartmell Agreement, the Company is required to make option payments totaling US$2.0 million (paid). These mineral claims are subject to a 2% NSR royalty on all mineral production, 1% of which can be bought back at any time at the Company's option for US$1.0 million. There is no minimum annual work commitment and the payments can be accelerated at any time at the Company's discretion. Upon completion of the property option payments, title in the mining claims will be transferred to the Company. The US$2.0 million in property option payments represents an advance against the future NSR.

Accordingly, in the event that the property goes into production, the entire amount of the purchase price of the property will be recovered through a credit for pre-payment of the first US$2.0 million of the NSR. The Company shall have the right to transfer its interest in the property at all times and the property can be abandoned by the Company at any time with no further amounts owing.

On July 15, 2016 the Company entered into a series of agreements with various landowners to acquire the surface and mineral rights of approximately 3,400 acres surrounding the patented mining claims of the Commonwealth Project. The land acquisitions consolidate the majority of the surface and mineral ownership of the historic Commonwealth mining district, including the entirety of the surface rights around the San Ignacio and Blue Jeep targets. While the details of the final acquisition terms of each individual property are under confidentiality agreements until closing over the course of 2016, the overall cost to acquire these 3,400 acres will be approximately US$3.6 million (US$1.7 million – paid).

Golden Reign

In July 2014, Marlin acquired ownership of 21.3 million common shares (the "Acquired Shares") of Golden Reign Resources Ltd. ("Golden Reign" or "GRR") for aggregate gross proceeds of $3.2 million. On March 23, 2016, the Company acquired an additional 9.6 million common shares of Golden Reign for aggregate gross proceeds of $768,000. During the nine months ended September 30, 2016, the Company's ownership interest in GRR increased from 18.31% to 18.94%.

Concurrent with the purchase of the Golden Reign Acquired Shares, the Company and Golden Reign completed a US$15 million (the "GRR Purchase Price") Gold Streaming Arrangement (the "GRR Arrangement") for the construction and development of Golden Reign's San Albino Gold Deposit, located in Nueva Segovia, Nicaragua. The GRR Purchase Price is due once Sailfish has approved the budget for the development of GRR's San Albino Gold Deposit. As at the date of this MD&A, the GRR Purchase Price was not due.

Under the GRR Arrangement, Sailfish will be entitled to purchase 40% of gold production from the San Albino Gold Deposit, at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19.6 million. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments.

Prior to commercial production Sailfish will be entitled to receive an 8% semi-annual coupon payment on the GRR Purchase Price and Golden Reign will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. To date, the Company has advanced US$724,533 of the GRR Purchase Price.

It is the Company's intention to eventually distribute the shares of Sailfish to Marlin shareholders, with Sailfish becoming a separate publicly traded company (subject to meeting applicable listing requirements).

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight quarters which have been derived from the interim financial statements of the Company, which are prepared in accordance with IFRS applicable to interim financial reporting. On July 14, 2014, the Company effected the consolidation of all of its issued and outstanding common shares on the basis of one new common share for ten previously issued and outstanding common shares. The net loss per common shares is calculated using the post-consolidated weighted average number of shares outstanding.

For the quarters ended:	2016			2015				2014
	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31
Total revenue	$ 3,539,054	$ 2,187,767	$ 3,720,399	$ 2,543,546	$ 4,154,494	$ 8,478,903	$ 7,603,644	$ 2,435,492
Interest and other income	$ (23,764)	$ (28,152)	$ (6,496)	$ (41,526)	$ (2,494)	$ (37,259)	$ (8,019)	$ 33,534
Net loss	$ 5,399,611	$ 6,374,556	$ 5,202,484	$ 7,408,718	$ 32,078,948	$ 16,375,255	$ 5,084,584	$ 10,569,707
Net loss per common share, basic and diluted	$ 0.03	$ 0.04	$ 0.05	$ 0.08	$ 0.30	$ 0.18	$ 0.07	$ 0.14
Gold ounces sold [1]	1,985	1,358	2,308	1,575	2,716	5,798	5,014	3,323
Average realized gold price per ounce in CAD	$ 1,783	$ 1,611	$ 1,612	$ 1,615	$ 1,529	$ 1,462	$ 1,516	$ 1,342

[1] Commercial production commenced on November 1, 2014, all gold sales prior to this date were included in the mine construction and development asset.

For the three months ended September 30, 2016, the Company incurred a net loss of $5.4 million or $0.03 per share compared to a net loss of $32.1 million or $0.30 per share for the three months ended September 30, 2015. The results during the three months ended September 30, 2016 include: a write down of inventory to net realizable value ("NRV") of $1.8 million (2015 - $9.1 million); exploration expenses of $116,933 (2015 - $90,765); a non-cash share-based payment of $54,647 (2015 - $nil) on the stock options issued; a foreign exchange loss of $1.1 million (2015 - $2.7 million) arising from the strengthening of the Canadian dollar exchange rate against the US dollar and an interest expense of $1.1 million (2015 - $1.2 million) arising from the Wexford Loan in 2016 and from the Sprott and Wexford Loans in 2015.

For the three months ended June 30, 2016, the Company incurred a net loss of $6.4 million or $0.04 per share compared to a net loss of $16.4 million or $0.18 per share for the three months ended September 30, 2015. The results during the three months ended September 30, 2016 include: a write down of inventory to net realizable value ("NRV") of $4.0 million (2015 - $4.0 million); exploration expenses of $110,346 (2015 - $18,343); a non-cash share-based payment of $149,867 (2015 - $nil) on the stock options issued; a foreign exchange loss of $63,379 (2015 - gain $0.9 million) arising from the strengthening of the Canadian dollar exchange rate against the US dollar and an interest expense of $0.9 million (2015 - $1.0 million) arising from the Wexford Loan in 2016 and from the Sprott and Wexford Loans in 2015.

For the three months ended March 31, 2016, the Company incurred a net loss of $5.2 million or $0.05 per share compared to a net loss of $5.1 million or $0.07 per share for the three months ended March 31, 2015. The results during the three months ended March 31, 2016 include: a write down of inventory to net realizable value ("NRV") of $3.3 million (2015 - $3.3 million); exploration expenses of $84,895 (2014 - $79,944); a non-cash share-based payment of $205,931 (2015 - $nil) on the stock options issued; a foreign exchange gain of $2.0 million (2015 - loss $1.3 million) arising from the strengthening of the Canadian dollar

exchange rate against the US dollar and an interest expense of $1.8 million (2015 - $0.7 million) arising from the Wexford Loan in 2016 and from the Sprott and Wexford Loans in 2015.

For the three months ended December 31, 2015, the Company incurred a net loss of $7.4 million or $0.08 per share compared to a net loss of $10.6 million or $0.14 per share for the three months ended December 31, 2014. The results during the three months ended December 31, 2015 include: a write down of inventory to net realizable value ("NRV") of $3.6 million (2014 - $819,281); exploration expenses of $1.0 million (2014 - $46,062); reversal of $2.8 million (2014 - $nil) on the impairment of mineral property recorded in prior quarters this year; a non-cash share-based payment of $289,620 (2014 - $nil) on the restricted share units issued that vested; $1 million gain (2014 – $7.8 million write-off) on the disposal of Oro Silver offset by $0.4 million (2014 $- nil) impairment of the El Rosario resource property; a foreign exchange loss of $1.5 million (2014 - gain $0.2 million) arising from the decrease of the exchange rate between the Canadian dollar to the US dollar and an interest expense of $1.7 million (2014 - $0.5 million) arising from the Sprott and Wexford Loans.

For the three months ended September 30, 2015, the Company incurred a net loss of $32.1 million or $0.30 per share compared to a net loss of $0.5 million or $0.01 per share for the three months ended September 30, 2014. The results during the three months ended September 30, 2015 include: a write down of inventory to NRV of $3.6 million (2014 - $nil); an impairment of mineral property of $23.7 million (2014 - $nil) giving rise to a deferred tax recovery of $1,775,000; management and consulting fees of $1.0 million (2014 – $161,856); a write-down in securities of $0.4 million (2014 - $nil) arising from the continued decline in the fair value of the Golden Reign securities; a foreign exchange loss of $2.7 million (2014- loss $62,050) arising from the decrease of the exchange rate between the Canadian dollar to the US dollar and an interest expense of $1.2 million (2014 - $nil) arising from the Sprott and Wexford Loans.

For the three months ended June 30, 2015, the Company incurred a net loss of $16.4 million or $0.18 per share compared to a net loss of $1.0 million or $0.01 per share for the three months ended September 30, 2014. The results during the three months ended September 30, 2015 include: a write down of inventory to NRV of $4.0 million (2014 - $nil) and impairment write down of $6 million (2014 - $nil) related to changes in the expected recovery of gold oz from mineralized material in the ore-in-process inventory, these write downs are included in production costs; an impairment of mineral property of $1.7 million (2014 - $nil); management and consulting fees of $1.1 million (2014 – $83,065); a write-off of resource properties of $1.4 million (2014 - $nil); a write-down in securities of $1.4 million (2014 - $nil) arising from a prolonged decline in the fair value of the Golden Reign securities; a foreign exchange gain of $0.9 million (2014- loss $62,050) arising from the decrease of the exchange rate between the Canadian dollar to the US dollar and an interest expense of $1.7 million (2014 - $nil) arising from the Sprott and Wexford Loans.

For the three months ended March 31, 2015, the Company incurred a net loss of $5.1 million or $0.07 per share compared to a net loss of $0.5 million or $0.01 per share for the three months ended March 31, 2014. The results during the three months ended March 31, 2015 include a write down of inventory to NRV of $3.3 million (2014 - $nil); a foreign exchange loss of $1.3 million (2014- gain $18,475) arising from the decrease of the exchange rate between the Canadian dollar to the US dollar and an interest expense of $748,009 (2014 - $nil) arising from the Sprott and Wexford Loans.

For the three months ended December 31, 2014, the Company incurred a net loss of $10.6 million or $0.14 per share compared to a net loss of $2.9 million or $0.04 per share for the three months ended December 31, 2013. Commercial production commenced on November 1, 2014 and the results during the three months ended December 31, 2014 include cost of sales of $3.9 million (2014 - $nil); an impairment of resource properties of $7.8 million (2013- $nil), and an interest expense of $498,945 (2013- $nil).

DISCUSSION OF OPERATIONS

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
Revenue	$ 3,539,054	$ 4,154,494	$ 9,447,220	$ 20,237,041
Cost of Sales				
Production costs	2,859,546	4,141,833	7,716,704	17,169,037
Write down to NRV	1,820,497	3,559,956	9,088,504	10,885,153
Impairment write-down	-	-	-	6,007,494
Depreciation, depletion and amortization	447,005	649,244	1,818,832	2,921,401
	$ 5,127,048	$ 8,351,033	$ 18,624,040	$ 36,983,085
Gross profit / (loss)	(1,587,994)	(4,196,539)	(9,176,820)	(16,746,044)
Operating and Administrative Expenses				
Accounting and legal	281,954	112,691	460,216	301,066
Exploration expenses	116,933	90,765	312,174	189,052
General office and rent	197,829	539,745	1,111,357	1,097,843
Impairment of mineral property	-	23,671,000	-	25,371,000
Management and consulting fees	837,943	910,466	2,358,348	2,297,469
Salaries, benefits and bonuses	66,440	32,124	137,315	142,658
Share-based payment	54,647	-	410,445	-
Transfer agent fees and regulatory fees	744	19,167	4,907	51,971
Write-off of resource properties/ loss on disposal of subsidiaries	-	-	-	1,400,000
Other expenses and (income)				
Accretion expense	16,251	7,902	33,202	29,560
Foreign exchange loss (gain)	1,126,721	2,668,186	(805,800)	3,061,714
Interest and other income	(23,764)	(2,494)	(58,412)	(47,772)
Interest expense	1,147,637	1,181,190	3,901,527	2,886,981
Write-down in securities	-	426,667	-	1,786,201
Change in fair value of Deferred Consideration Receivable	(5,538)	-	(43,656)	-
Gain on disposal of securities, net of transaction costs	2,705	-	(2,199)	-
Loss (gain) on change in fair value of securities	(8,885)	-	(19,593)	-
Loss before taxes	5,399,611	33,853,948	16,976,651	55,313,787
Deferred tax recovert	-	(1,775,000)	-	(1,775,000)
Loss for the period	$ 5,399,611	$ 32,078,948	$ 16,976,651	$ 53,538,787

The key performance driver for the Company is the development and operation of its mineral properties. At this time, the Company is not generating any profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

For the three months ended September 30, 2016, compared to the three months ended September 30, 2015.

The Company recorded a net loss of $5.4 million for the three months ended September 30, 2016 (the "Current Quarter") ($0.03 loss per common share) compared to a net loss of $32.1 million ($0.30 loss per common share) for the three months ended September 30, 2015 (the "Comparative Quarter"), an decrease of $26.5 million, as explained in the following paragraphs.

Revenue for the Current Quarter was $3.5 million, a decrease from $4.2 million for the Comparative Quarter as a result of selling less oz of gold in the Current Quarter 1,985 oz (Comparative Quarter – 2,746 oz).

Cost of Sales for the Current Quarter was $5.1 million, a decrease from $8.4 million for the Comparative Quarter primarily resulting from a decrease of $1.3 million in production costs and a decrease of $1.7 million in the write down of inventory to NRV.

In the Current Quarter, the Company incurred management and consulting fees of $0.8 million compared to $0.9 million in the Comparative Quarter, a decrease of $0.1 million. The decrease relates to timing differences between new management fees for the chairman, the VP, Corporate Development and interim COO and the departure of the former CEO and COO.

In the Current Quarter, the Company incurred a non-cash share-based payment of $54,647 compared to $nil in the Comparative Quarter, an increase of $54,647 on the stock options issued.

The Current Quarter results include a foreign exchange loss of $1.1 million, a decrease of $1.5 million resulting from the strengthening of the Canadian dollar against the US dollar as it relates to the Wexford Loan.

For the nine months ended September 30, 2016, compared to the nine months ended September 30, 2015.

The Company recorded a net loss of $17.0 million for the nine months ended September 30, 2016 (the "Current Period") ($0.12 loss per common share) compared to a net loss of $53.5 million ($0.59 loss per common share) for the nine months ended September 30, 2015 (the "Comparative Period"), a decrease of $36.5 million, as explained in the following paragraphs.

Revenue for the Current Period was $9.4 million, a decrease from $20.2 million for the Comparative Period as a result of selling less oz of gold in the Current Period 5,652 oz (Comparative Quarter – 13,528 oz).

Cost of Sales for the Current Period was $18.8 million, a decrease from $37.0 million for the Comparative Period primarily resulting from a decrease of $9.5 million in production costs, a decrease of $1.8 million in the write down of inventory to NRV, a decrease of $1.1 million in depreciation, depletion and amortization and a decrease of $6.0 million in the inventory impairment write-down.

In the Current Period, the Company incurred management and consulting fees of $2.4 million compared to $2.3 million in the Comparative Period, an increase of $60,879. The increase relates to timing differences between new management fees for the chairman, the VP, Corporate Development and interim COO and the departure of the former CEO and COO.

In the Current Period, the Company incurred a non-cash share-based payment of $410,445 compared to $nil in the Comparative Period, an increase of $410,445 on the stock options issued.

The Current Period results include a foreign exchange gain of $0.8 million, and increase of $3.9 million resulting from the strengthening of the Canadian dollar against the US dollar as it relates to the Wexford Loan.

La Trinidad Mine

The La Trinidad mine is an open pit heap leach operation; the support infrastructure and processing facility includes a staff camp, offices, warehousing, an analytical laboratory, three-stage crushing, screening,

agglomeration and conveying and stacking on a leach pad. Gold is recovered by way of a conventional carbon adsorption plant. The entire mine and processing has been designed using tried and proven methods.

On September 7, 2015, hurricane Linda, a category 2 hurricane, hit the area of the La Trinidad mine. Based on the mine's weather station data, the mine received over 10 inches of rain over a two day period. In addition to the rain received at the mine site, the main arroyos, Azules to the east side of pit and the Indio to the west side of the pit overflowed and caused damage to roads and bridges and overcame the diversion channels with a significant amount flowing into the pit causing damage to haul roads within the pit as well as pit catch benches.

As a result of the damage sustained at the mine and the interruption to the Company's business, the Company is currently in the process of quantifying damages sustained and will be submitting an insurance claim to recover certain costs incurred. Although management anticipates receiving proceeds from a successful claim there can be no assurance given that any or all of the amounts claimed will be received. As at the date of this MD&A, the Company received insurance proceeds of US$1,328,069.

In February 2016, the Company executed a new mining contract, which nearly doubles the mining rate that was being achieved by the previous mining contractor. The cost of the mining contract is US$1.50 per tonne of material moved indexed to a Mexican diesel price of US$0.73 per litre, which will decrease the cost below US$1.50 per tonne when Mexican diesel prices trade below US$0.73 per litre.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is in the production stage and has yet to generate cash flow from operations. The Company relies on equity and debt financing for its working capital requirements to fund its production, exploration, development, investment, permitting and administrative activities. In order for the Company to meet current cash commitments over the next 12 months, the Company is dependent on generating positive operating cash flow, collecting its value-added taxes (IVA) receivable or obtaining additional financing. The Company has a controlling shareholder which has provided $123.9 million of equity financings and loans to date. Management believes this will enable the Company to meet its commitments for the next 12 months.

Operations for the Current Period were funded primarily from the cash on hand at the beginning of the period and the funds raised during 2016. During the Current Period, the Company increased the Wexford Loan from US$ 30.0 million to US$ 35.5 million extended the maturity date to January 15, 2018, decreased the rate of interest from 15% to 8% per annum and issued 59.3 million common shares for gross proceeds of $21.0 million. As at September 30, 2016, the Company had cash of $0.7 million (and a working capital of $11.7 million).

The Company had $8.0 million in accounts receivable and refundable taxes of which $7.6 million was for Mexican value added taxes ("IVA") refunds. The Company has applied for the outstanding IVA receivable and is making every effort to expedite the receipt of these funds. Subsequent to September 30, 2016, the Company received IVA of approximately $0.6 million.

A summary and discussion of the Company's cash inflows and outflows for the nine months ended September 30, 2016 and 2015 is as follows:

Operating Activities

Cash utilized in operating activities before changes in non-cash working capital during the Current Period was $11.9 million, (Comparative Period - $2.1 million). Cash used in operating activities during the Current Period

was $5.3 million (Comparative Period - $9.6 million). The net outflows during the Current Period were due to changes in inventory of $2.2 million (Comparative Period – $7.8 million), an outflow in receivable and refundable taxes of $1.5 million (Comparative Period –$0.1 million), an inflow in due to related parties of $0.7 million (Comparative Period – outflow $33,283), an outflow in prepaid expenses, and other of $0.4 million (Comparative Period –$0.3 million) and cash inflow in accounts payable and accrued liabilities of $10.0 million (Comparative Period – outflow $0.9 million). In November 2014, the Company negotiated with its mining contractor a fixed monthly payment of US$750,000, exclusive of diesel, with mining costs in excess of the fixed rate being deferred. The increase in accounts payable and accrued liabilities includes these accrued costs. At September 30, 2016 accounts payable and accrued liability include approximately US$3.7 million in accrued mining expenses related to the Company's mining contractor.

Investing Activities

The total cash flow used by investing activities during the Current Period was $23.9 million (Comparative Period – $20.2 million) of which $16.3 million (Comparative Period - $6.5 million) was related to stripping costs deferred to property, plant and equipment, $Nil (Comparative Period - $3.5 million) was related to the change in refundable taxes, $Nil (Comparative Period - $9.8 million) was related to the acquisition of Commonwealth, net of cash acquired, $1.5 million (Comparative Period - $Nil) was related to the proceeds received on the disposal of the Canarc shares disposed, $0.8 million (Comparative Period - $Nil) was related to the purchase of additional Golden Reign and Canarc shares, $1.0 million (Comparative Period - $Nil) outflow of other assets related to the GRR Purchase Price advanced by the Company to GRR and $7.3 million (Comparative Period - $15,283) for payments made on the resource properties.

Financing Activities

During the Current Period, the Company receiving an additional $7.4 million (US$5.5 million) loan from the Wexford Funds (Comparative Period - $21.0 million loan from the Wexford Funds), received $20.6 million (Comparative Period - $21.7 million) on the issue of Company shares, paid $0.9 million (Comparative Period - $Nil) to purchase 2 million shares of the Company under the NCIB, repaid $Nil (Comparative Period - $2.5 million) to settle the Commonwealth Bridge Loan and paid $Nil (Comparative Period - $8.7 million) towards settling the Wexford A and Sprott Loans.

TRANSACTIONS WITH RELATED PARTIES

(a) Key management compensation

The following compensation was paid and accrued to key management. This compensation is included in exploration costs, administrative costs, management and consulting fees, general office and rent, salaries, benefits and bonuses and in mine construction and development costs, where applicable.

Key management comprises directors and executive officers. The compensation to key management was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Short-term employment benefits				
Director fees	15,000	13,750	45,000	41,387
Senior management	195,594	462,973	596,848	924,711
Share-based payment	54,647	-	410,445	-
Total	265,241	476,693	1,052,293	966,098

Amounts due to key management as at September 30, 2016 were $77,637 (December 31, 2015 - $83,098).

(b) Related party transactions

The Company entered into the following related party transactions:

(i) During the three months ended September 30, 2016, fees relating to management, geological, and mining consulting services of $Nil (2015 - $29,325 (US$23,108)) were charged by a private company controlled by one director of the Company via an intermediate corporation. Charges of $Nil (2015 - $5,516 (US$4,350)) are expensed as consulting fees and charges of $Nil (2015 - $23,809 (US$18,758)) are included in deferred expenses. During the nine months ended September 30, 2016, $Nil (2015 - $29,325 (US$23,108)) was offset against the amounts due from Sonoran Resources LLC ("Sonoran") a private company controlled by one director of the Company.

There were no transactions during the three and nine months ended September 30, 2016.

Amounts payable as at September 30, 2016 were $Nil (December 31, 2015 - $Nil)

(ii) During the three months ended September 30, 2016, fees relating to travel, investor relations and consulting services of $571,552 (US$435,722) (2015 - $698,142 (US$571,306)) were charged by Sonoran. Charges of $523,612 (US$399,058) (2015 – $680,163 (US$556,717) are included in consulting fees and charges of $47,941 (US$36,665) (2015 17,982 (US$14,589) are included in travel expenses.

During the nine months ended September 30, 2016, fees relating to travel, investor relations and consulting services of $14,60,976 (US$1,117,775) (2015 - $732,737 (US$598,941)) were charged by Sonoran. Charges of $1,295,587 (US$992,374) (2015 – $692,657 (US$566,781) are included in consulting fees and charges of $165,387 (US$125,402) (2015 17,982 (US$14,589) are included in travel expenses.

(iii) During the nine months ended September 30, 2016, fees of $916,550 (US$693,592) were charged by Sonoran as part of the working capital paid to advance the Golden Reign's San Albino gold deposit.

(iv) Amounts payable to Sonoran as at September 30, 2016 were $756,486 (US$576,721) (December 31, 2015 - $Nil).

(c) Transactions with controlling shareholder

(i) As at September 30, 2016, the Wexford Funds held 145,965,387 common shares of the Company.

On a non-diluted basis and after giving effect to the above changes in equity, Wexford Funds' ownership percentage has increased from 80.43% to 84.41% of the Company's issued and outstanding common shares as at September 30, 2016.

(ii) During the nine months ended September 30, 2016, the Wexford Funds loaned the Company an additional $7,432,250 (US$5,500,000) (2015 - $10,554,800 (US$8,000,000)) (Refer to Note 17(a)(ii)). As at September 30, 2016, US$35,500,000 (December 31, 2015 – US$30,000,000) is payable by the Company to the Wexford Funds.

As at September 30, 2016, interest of $5,993,014 (US$4,568,890) (December 31, 2015 - $2,839,001 (US$2,051,301)) and withholding taxes of $1,260,854 (December 31, 2015 - $709,750) was accrued on the Wexford Loans.

(iii) As part of the Commonwealth acquisition (refer to Note 5), the Company assumed the Commonwealth Bridge Loan of $2,550,000 to Wexford Funds. The loan and interest of $116,628 was repaid to the Wexford Funds on June 8, 2015.

(iv) Under a service agreement, effective January 1, 2015, between the Company and an affiliate of the Wexford Funds, the Company was charged $31,971 (US$24,197) and $49,811 (US$65,815) for shared office space and administration services for the three and nine months ended September 30, 2016.

As at September 30, 2016 $65,337 (US$49,811) (December 31, 2015 - $112,461 (US$81,258)) is included in due to related parties

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than what has been disclosed in this MD&A.

FINANCIAL INSTRUMENTS

Overview

The Company's activities expose it to risks, including financial and operational risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are credit risk, foreign exchange risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. Readers are encouraged to read and consider the "Risks & Uncertainties" described below. The risk factors could materially impact future operating results of the Company and cause events to differ materially from those described in forward-looking information of the Company.

Financial instruments
Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

As at September 30, 2016 and December 31, 2015, the carrying values, fair market values, and fair value hierarchical classification of the Company's financial instruments are as follows:

Investment in securities is measured using level 1. The Loans are classified as other financial liabilities and are carried at amortized cost. The fair value of all other financial instruments, other than marketable securities which are carried at fair value, approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. However, due to going concern risk the fair value of accounts payable and accrued liabilities is less than carrying value.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are described in Note 2 of the annual consolidated financial statements for the year ended December 31, 2015.

CHANGE IN ACCOUNTING STANDARDS INCLUDING INITIAL ADOPTION

Adoption of new accounting policies

There were no new accounting policies adopted by the Company in the Current Period.

Changes in accounting standards not yet adopted

The IASB issued the following new or revised pronouncements that may affect the Company's future financial statements.

IFRS 9: *Financial Instruments* ("IFRS 9"): This standard replaces the current IAS 39: Financial Instruments Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective implementation date of IFRS 9 is January 1, 2018. The Company is currently evaluating the impact on the financial statements.

IFRS 15: *Revenue from Contracts with Customers* ("IFRS 15"): This standard replaces IAS 11: *Construction Contracts*, IAS 18: *Revenue* and IFRIC 13: *Customer Loyalty Programmes*. This standard outlines a single comprehensive model for entities to account for revenue arising from contracts with customers. The latest date of mandatory implementation of IFRS 15 is January 1, 2018. The Company has not yet evaluated the impact on the consolidated financial statements.

IFRS 16: *Leases* ("IFRS 16"): This standard replaces IAS 17 – *Leases* and its associated 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 remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company has not yet evaluated the impact on the consolidated financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OUTSTANDING SHARE DATA

As at November 28, 2016, the following common shares, options and share purchase warrants were outstanding:

	Share Data as of September 30, 2016	Change after Period End	Share Data at the date of this MD&A	Exercise Price $	Expiry Date
Issued & Outstanding Common Shares	172,927,719				
Options			-		
Share purchase options	6,000,000		6,000,000	0.15	5-Feb-21
Share purchase options	97,500		97,500	1.40	12-Dec-16
Share purchase options	30,000		30,000	1.10	20-Jun-17
Outstanding options and RSU's	**6,127,500**	**-**	**6,127,500**		
Fully Diluted	**179,055,219**	**-**	**6,127,500**		

RISKS AND UNCERTAINTIES

The Company, and thus the securities of the Company, should be considered a speculative investment due to the high-risk nature of its business which is the acquisition, financing, exploration, development and operation of mining properties, and investors should carefully consider all information relating to the Company. The following risk factors should be given special consideration when evaluating an investment in the Company's securities.

Mineral Exploration and Development

The exploration for and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Negative operating cash flow

The Company had negative operating cash flow for the nine months ended September 30, 2016 and for the year ended December 31, 2015. The Company anticipates that it will continue to have negative cash flow until such time, if at all, that profitable commercial production is achieved at La Trinidad. To the extent that the Company has negative cash flow in future periods, the Company may need to enter into additional loan agreements and/or issue additional equity to fund such negative cash flow.

Additional Capital

As there is no certainty that the operating cash flow described in the La Trinidad PEA will be realized, the principal sources of future funds available to the Company will be through the sale of additional equity capital, loans or the sale of interests in its properties or anticipated metal production. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company or will provide it with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development.

Production at the La Trinidad Property based on PEA

The Company has not completed a pre-feasibility study or feasibility study on the La Trinidad Property and, accordingly, there is no estimate of mineral reserves. Rather, the Company's decision to commence commercial production at the La Trinidad Property is based upon the results of the PEA. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. As a result, there are additional risks in commencing commercial production based upon the PEA including additional risks as to capital and operating costs, mineral recovery and financial viability. There is no guarantee that financial results will be consistent with the PEA. Should the actual results of the La Trinidad Property deviate from the results of the

PEA it could have a material adverse impact on the Company's ability to generate revenue and cash flows that would be sufficient enough to fund future mining operations at the La Trinidad Property.

Stakeholder Opposition; Surface Rights

The Company may face opposition to its activities and interests from owners of surface rights, environmental groups, indigenous peoples, entire communities and other stakeholders in the areas in which the Company has interests and operations. Such opposition could adversely affect the Company's ability to advance its mining projects. There is no guarantee that the Company will be able to maintain or acquire the surface rights that would be required for the development of its mineral properties on acceptable terms or at all.

Mining Operations and Insurance

Mining operations generally involve a high degree of risk. The Company's operations are subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes and political unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against these risks and there is no assurance that such insurance will be available, at reasonably commercial terms, in the future. Even if such insurance is available in the future at economically feasible premiums, the Company may decide not to purchase it. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may require significant capital outlays which would adversely affect the Company's ability to execute its plans, or even to continue its operations.

Financial Resources

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Government Regulation

The current or future operations of Marlin, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various foreign federal, state and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters.

There can be no assurance that the Company will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Company may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital or increased operating expenditures,

installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Government regulation in foreign jurisdictions

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of countries such as the USA and Mexico, where the Company's mineral property interests are located, or Nicaragua, where Golden Reign's San Albino Property is located, will continue to be favourable. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Mexican Tax Reform and labour laws

In December 2013, the 2014 Mexican Tax Reform (the "Tax Reform") was published in Mexico's official gazette with changes taking effect January 1, 2014. The Tax Reform eliminates the gradual tax rate reduction to 28% that was enacted in 2012. As a result, the tax rate for 2014 and thereafter will remain at 30%. The tax reform also introduced a new Extraordinary Mining Duty equal to 0.5% of gross revenues from the sale of gold, silver, and platinum.

In addition, the law requires taxpayers with mining concessions to pay a new 7.5% Special Mining Royalty, which will be tax deductible for income tax purposes. The Special Mining Royalty is generally applicable to earnings before income tax, depreciation, depletion, and amortization. Interest deductions related to development type costs are not allowed except those involved in mining prospecting and exploration.

As at December 31, 2015 the Company recognized a non-cash charge of $2.1 million related to the deferred tax liability impact of the Special Mining Royalty.

In December 2012, the Mexican government amended federal labour laws with respect to the use of service companies, subcontracting arrangements and the obligation to compensate employees with appropriate profit-sharing in Mexico. While the Company believes it is probable that these amended labour laws will not result in any material obligation or additional profit-sharing entitlements for its Mexican employees, there can be no assurance that this will continue to be the case.

The Company relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of tax, labour and other matters in Mexico. Any developments or changes in such legal, regulatory or governmental requirements as described above or otherwise are beyond the control of the Company and may adversely affect its business.

Title to Property

There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the Company's properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or other land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Environmental Risks and Hazards

All phases of Marlin operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties or other enforcement actions. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests or on properties acquired by the Company in the future which are unknown to the Company. The Company may be liable for these hazards even if they have been caused by previous or existing owners or operators of the properties.

Properties in Mexico

The Company's mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of foreign countries such as Mexico, where the Company's mineral property interests are located, will continue to be favourable. Any changes in regulations or shifts in political conditions are beyond the control of Marlin and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Risks related to conducting business in emerging markets

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be in international locations that display characteristics of emerging markets. Conducting business in these countries may be subject to a variety of risks including, but not limited to: currency fluctuations, devaluations and exchange controls; inflation; uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation, trade restrictions, unfavourable tax enforcement or adverse tax policies; the denial of contract rights; and social unrest, acts of terrorism or armed conflict. Management is unable to predict the extent or duration of these risks or quantify their potential impact.

Potential Profitability Depends Upon Factors Beyond the Control of Marlin

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and silver are unpredictable, volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined material may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Marlin cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Marlin.

Repatriation of Earnings

There is no assurance that any countries in which Marlin operates or may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Currency Fluctuations; Foreign Exchange

The operations of Marlin in the countries where it operates are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of Marlin. Marlin is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the U.S. dollar and the Mexican peso. Marlin does not currently take any steps to hedge against currency fluctuations although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that steps taken by Marlin to address foreign currency fluctuations will eliminate all adverse effects and, accordingly, Marlin may suffer losses due to adverse foreign currency fluctuations.

Marlin may be subject from time to time to foreign exchange controls in countries outside of Canada although no such claims are currently known to Marlin.

Commodity Prices

The price of the Company's securities, its financial results and exploration, development and mining activities may in the future be significantly and adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. The price of precious or base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company's properties to be impracticable.

Further, resource calculations and life-of-mine plans using significantly lower precious or base minerals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment, either initiated by management or required under financing arrangements, of the feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to their operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities will likely be subject to such market trends and the value of the Company's securities may be affected accordingly.

Key Executives

Marlin is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which

is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives. The directors and some officers of the Company will only devote part of their time to the affairs of the Company.

Competition

The mineral exploration and mining business is competitive in all of its phases. Marlin competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company and the Company's interests may be adversely affected.

Dilution

Issuances of additional securities under future financings will result in dilution of the equity interests of persons who are currently Shareholders or who become Shareholders of Marlin.

Dividends

Marlin has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Marlin and will depend on Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Marlin deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford to lose their entire investment.

Safety and Security Risks

The Company and its personnel are subject to safety and security risks in Mexico which may have an adverse impact on the Company or its personnel. The Company's projects are located in Mexico. Criminal activities in Mexico or the perception that such activities are likely, may disrupt the Company's operations, hamper the Company's ability to hire and keep qualified personnel and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks relating to safety of personnel and property. Such risks may include, but are not limited to, kidnappings of employees and contractors, exposure of employees and contractors to local crime-related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets including future gold shipments. These risks may result in serious adverse consequences including personal injuries, kidnappings or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights, or causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability.

The Company has implemented procedures to protect its personnel and property from these risks. However, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and the Company's property effectively.

Risks relating to the San Albino Gold Stream

To the extent that they relate to the production of gold from the San Albino Property, the Company will be subject to the risk factors applicable to Golden Reign.

In particular, the San Albino Property has no mineral reserves and no engineering or economic studies have been completed at the San Albino Property to enable mineral reserves to be defined. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The Company does not own the San Albino Property and will not be directly involved in the operation of the San Albino Property. As a result, certain of the cash flows of the Company may be dependent upon the activities of third parties which creates the risk that at any time those third parties may: (a) have business interests or targets that are inconsistent with those of the Company, (b) take action contrary to the Company's policies or objectives, (c) be unable or unwilling to fulfill their obligations under their agreements with the Company, or (d) experience financial, operational or other difficulties, including insolvency, which could limit a third party's ability to perform its obligations under the Arrangement. The Company will not be entitled to any material compensation if such operations do not meet their forecasted gold production targets or if the operations shut down, suspend or discontinue on a temporary or permanent basis. There can be no assurance that there will be any gold production from the San Albino Property or that gold production will ultimately meet forecasts or targets.

The GRR Purchase Price relating to the Arrangement, as described in the Description of Business section of this MD&A, is only due once Sailfish has approved the budget for the development of Golden Reign's San Albino Gold Deposit. As at the date of this MD&A, the GRR Purchase Price was not due however, the Company has advanced $1.1 million.

The Company's ability to pay the Purchase Price depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. The Company currently does not generate cash flows from operations and relies on financing. If the Company is unable to generate such cash flow, in order for the Company to advance the Purchase Price, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive.

Share price of investment - The Company's investment in securities of Golden Reign is subject to volatility in the share price of Golden Reign. There can be no assurance that an active trading market for any of these shares is sustainable. The trading price of these shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including, quarterly variations in Golden Reign's financial performance, changes in earnings (if any), estimates by analysts, conditions in the industry of Golden Reign and macroeconomic developments in Central America and globally, currency fluctuations and market perceptions of the attractiveness of mining industry. Such market fluctuations could adversely affect the market price of the Company's investment and the value the Company could realize on such investments.

Any metals streaming arrangements, including the San Albino Gold Stream, may not be honoured by project operators

Natural resources streaming arrangements, including the San Albino Gold Stream arrangement, are largely contractually based. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent that parties to any metals streaming arrangement, including Golden Reign, do not abide by their contractual obligations, the Company would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to Marlin, it may have a material and adverse effect on the Company's results of operations and financial condition.

The spin-off of Sailfish to the Company's Shareholders is complex and subject to various approvals, and there can be no assurance that the Company can complete the spin-off on a timely basis or at all

The eventual spin-off of Sailfish to the Company's Shareholders is complicated and will involve a substantial number of steps and transactions, including obtaining various court, regulatory and stock exchange approvals. In addition, future financial conditions, superior alternatives or other factors may arise that make it inadvisable to proceed with part or all of the spin-off. The spin-off may not occur as currently expected or within the time frames that are currently contemplated, or at all.

If, for any reason, the spin-off is not completed or its completion is materially delayed, the market price of the Common Shares may be materially adversely affected. The Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company would remain liable for significant costs relating to the spin-off including, among others, legal and accounting expenses.

If the Company and Sailfish do not realize the benefits that the Company anticipates from the spin-off, their respective businesses may be materially adversely affected.

Competition surrounding future stream acquisitions

The Company intends to compete with other companies for metals streams and similar transactions, some of which may possess greater financial and technical resources. Such competition may result in the Company being unable to enter into desirable metals streams or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its acquisition of metals streams. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for entering into additional metals streams, royalties and similar transactions in the future.

Indebtedness

As of the date of this MD&A, the Company has outstanding Wexford Loans that bear interest at a rate of 8% per annum, which is unsecured.

As a result of this indebtedness, the Company is required to use a portion of its cash flow to service the principal and interest on these debts, which will limit the cash flow available for other business opportunities.

The Company's ability to pay interest, repay the principle or to refinance its indebtedness depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. The Company currently does not generate cash flows from operations and relies on financing. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the

capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

Contingent Liability

On August 13, 2014 the Company received notice that recently appointed committee members of the community of Maloya, Mexico, are challenging the legitimacy of the Company's surface rights and occupation agreement related to the La Trinidad mine. The Company prepared and filed a response to the notice of claim and stands by the legitimacy of the agreement and will vigorously defend against this claim. As at September 30, 2016, the claimants have not addressed the Company's response nor management believe they will further respond and as such the Company determined a provision was not required for this matter, as it has assessed that an outflow of economic resources is not probable.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements or forward-looking information within the meaning of applicable securities laws concerning the Company's beliefs and plans, including but not limited to statements with respect to future exploration and development activities including the intention to advance the Company's projects and build on the results of exploration and development programs; the expected timing of exploration and development programs and studies; the intention to complete certain property payments; the expected sufficiency and availability of financial resources; capital, operating and cash flow estimates; the ability to obtain adequate title or surface rights to carry out planned development activities; and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the applicable property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, intentions or future events or performance are not statements of historical fact and may be "forward-looking statements".

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including but not limited to those referred to in this MD&A under the heading "Risks and Uncertainties" and elsewhere in this MD&A. Such factors include, but are not limited to, risks related to actual results and timing of exploration and development activities; actual results of operating activities; changes in project parameters as plans continue to be refined; future prices of metals and minerals; possible variations in mineable resources, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political and regulatory risks associated with mining and exploration in Mexico; continued capitalization and commercial viability; global economic conditions; competition; and delays in obtaining governmental approvals or financing.

Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements included in this MD&A, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) current metal and mineral prices will be sustained, or will improve; (2) the proposed exploration and development of the Company's mineral projects will be viable operationally and economically and proceed as expected; (3) all necessary government approvals for the planned exploration and development of the Company's mineral projects will be obtained in a timely manner and on terms acceptable to the Company; (4) the Company will not experience any material accident, labour dispute or failure of plant or equipment; and (5) any additional

financing needed by the Company will be available on reasonable terms. Other assumptions are discussed throughout this MD&A and, in particular, under "Risks and Uncertainties" herein.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and should not be relied on as representing the Company's views on any subsequent date. The Company specifically disclaims any intention or any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

ADDITIONAL INFORMATION

Additional information relating to Marlin is available on SEDAR at www.sedar.com, by e-mail at communications@marlingold.com or by contacting:

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