MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

SULLIDEN MINING CAPITAL INC.
(an exploration stage mining company)

65 Queen Street West, Suite 800
Toronto, ON M5H 2M5

Date: June 8, 2018

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Sulliden Mining Capital Inc. ("we", "our", "us", the "Company" or "SMC") provides a discussion and analysis of the operations, results, and financial condition of the Company for the three and nine months ended April 30, 2018 and 2017, and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended April 30, 2018 as well as annual consolidated financial statements and MD&A for the year ended July 31, 2017. This discussion covers the period for the nine months ended April 30, 2018 and the subsequent period up to the date of the filing of this MD&A. Other pertinent information about the Company is available on SEDAR at www.sedar.com as well as on the Company's website at www.sulliden.com.

For the purpose of preparing our MD&A, the Company considers the materiality of information. Information is considered material if in the opinion of management: (i) such information results in, or would reasonably be expected to result in, a significant effect in the market price or value of our shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances. All dollar amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information that also involves numerous risks and uncertainties. Actual results of the Company's business and operations could differ materially from those discussed in such forward-looking information as a result of the risks and uncertainties faced by the Company, including those set forth in this MD&A under "Forward-looking Information and Cautionary Statements", "Risk and Uncertainties", and as discussed in the Company's annual information form (AIF) which is available under the Company's profile at www.sedar.com.

References to the first, second and third quarters of 2018 and 2017 or Q1-, Q2-, and Q3-2018 and Q1-, Q2- and Q3-2017 mean the quarters ending October 31, 2017, January 31, 2018 and April 30, 2018 and October 31, 2016, January 31, 2017 and April 30, 2017, respectively.

Stéphane Amireault, P.Eng (B.Engs.; Mescal), is the Company's in-house Qualified Person for geology for the purposes of National Instrument 43-101("NI 43-101"). Joseph C. Milbourne, FAusIMM, is the Company's in-house Qualified Person for all technical materials (except geology) for the purposes of NI 43-101. Mr. Amireault and Mr. Milbourne have reviewed and approved the respective scientific and technical disclosure in this MD&A.

UPDATE AND OUTLOOK

The Company was incorporated on June 10, 2014 as a wholly owned subsidiary of the former Sulliden Gold Corporation Ltd. ("Sulliden"). Pursuant to a statutory plan of arrangement (the "Arrangement") under section 182 of the *Business Corporations Act* (Ontario) among the Company, Sulliden and Rio Alto Mining Limited ("Rio Alto"), all of the issued and outstanding common shares of Sulliden were, effective August 5, 2014, exchanged for 0.525 of a common share of Rio Alto and 0.10 of a common share of the Company. Effective August 11, 2014, the common shares of the Company commenced trading on the Toronto Stock Exchange under the symbol SMC.

Upon completion of the Arrangement, the Company assumed Sulliden's interests in the East Sullivan Property, valued in the amount of $133,538 and the Company was capitalized with $24,760,514 in cash.

In May 2016, Sulliden Moçambique Ltd. was incorporated in Mozambique and is 100% owned subsidiary of the Company. 2507868 Ontario Inc. ("2507868") was a 100% subsidiary of the Company and holds the option for the Troilus project. The Company owns a 98% interest in the issued and outstanding shares of Daos International Ltd. ("Daos"), a Mauritius company.

In June 2017 and amended in September 2017 and October 2017, the Company entered an agreement with Pitchblack Resources Ltd. ("Pitchblack") to sell its interest in 2507868 for shares of Pitchblack. Upon completion of the transaction, on December 20, 2017, the Company had an approximate 36% ownership of Pitchblack, who owns the interest in the Troilus Mine project. On December 20, 2017, Pitchblack changed its name to Troilus Gold Corp. See Troilus Mine Project section below.

TROILUS MINE PROJECT

As at April 30, 2018, the Company owned a 34.8% interest in Troilus Gold Corp. which holds an option to acquire a 100% interest in the Troilus Mine.

In May 2016, the Company, through its subsidiary, entered into an option agreement with First Quantum Minerals Ltd. ("First Quantum") to acquire a 100% interest in the Troilus Mine. To exercise the option, a minimum $1,000,000 must be spent on engineering and technical studies to evaluate the economic viability of the project. An initial cash payment of $100,000 was made to First Quantum upon signing in May 2016. An additional cash payment of $100,000 was made in May 2017, and a final cash payment of $100,000 is due on the date of exercise of the option on or before May 2, 2018. A variable Net Smelter Royalty of 1.5% or 2.5% depending on the gold price being more or less than US$1,250/ounce during the reference period will be granted to First Quantum. The Company, through its subsidiary, also entered into an option agreement with 251 Ontario Ltd. ("251") whereby 251 would be able to acquire 40% of the Troilus project.

The Troilus property is located approximately 175 km by road from the town of Chibougamau, Quebec, Canada. The property consists of 81 mineral claims and one surveyed mining lease that collectively cover approximately 4,700 hectares. The acquisition will include all infrastructure such as roads, power lines, camp buildings, permitted tailings pond, and associated water treatment facilities. The mill was sold and removed during the first phase of reclamation.

From 1997 to 2010 Inmet Mining Corporation ("Inmet") operated the Troilus Mine, which produced in excess of 2,000,000 ounces of gold and 70,000 tonnes of copper. Inmet commissioned the Troilus mill in 1996 and achieved commercial production in April 1997 at a rate of 10,000 tonnes per day with recoveries of 86% gold and 90% copper and a concentrate grade of 18% copper, eventually reaching a production milestone of 18,000 tonnes per day. First Quantum acquired the Troilus property through its acquisition of Inmet in 2013.

In May 2016, the Company announced the completion of a mineral resource estimate for the Troilus Mine, which was completed by Mr. Luke Evans, Executive Vice-President, Geology and Resource Estimation, Principal Geologist at RPA (see press release dated May 25, 2016). The mineral resource estimate was generated with a focus on a potential underground mining scenario. See "Forward-Looking Information and Cautionary Statements".

Table 1 - Underground Mineral Resources (as at April 22, 2016)

Classification	Zone	Tonnage (Mt)	Au (g/t)	Cu%	AuEq (g/t)	Contained Gold (000 oz)	Contained Copper (Mlb)	Contained AuEq (000 oz)
Indicated	**Z87**	29.6	1.48	0.157	1.72	1,403	102.2	1,635
	J4	-	-	-	-	-	-	-
	J5	-	-	-	-	-	-	-
Total Indicated		**29.6**	**1.48**	**0.157**	**1.72**	1,403	102.2	1,635

Inferred	**Z87**	7.9	1.19	0.138	1.41	305	24.2	360
	J4	4.4	1.15	0.040	1.21	163	3.9	172
	J5	0.3	0.98	0.045	1.05	10	0.3	11
Total Inferred		**12.6**	**1.18**	**0.102**	**1.33**	**478**	**28.4**	**543**

Notes:

1. CIM definitions were followed for mineral resources.
2. Mineral resources were estimated at a cut-off grade of 0.8 g/t Au.
3. Mineral resources were estimated using long-term metal prices of US$1,500 per ounce gold and US$3.50 per pound copper; and an exchange rate of US$1.00 = C$1.1.
4. AuEq = (34.59 * Au Grade + 54.02 * Cu grade)/ 34.59
5. A recovery of 83% was used for gold and 92% for copper.
6. Numbers may not add due to rounding.
7. Other than the receipt of necessary permits and ongoing reclamation obligations, Sulliden does not know of any material legal, political, environmental or other factors that could affect the development of the project.

Table 2 - Open Pit Mineral Resources (as at April 22, 2016)

Classification	Zone	Tonnage (Mt)	Au (g/t)	Cu%	AuEq (g/t)	Contained Gold (000 oz)	Contained Copper (Mlb)	Contained AuEq (000 oz)
Indicated	**87**	-	-	-	-	-	-	-
	J4	12.2	0.84	0.044	0.91	329	11.8	356
	J5	2.2	0.80	0.052	0.88	57	2.5	63
Total Indicated		**14.4**	**0.83**	**0.045**	**0.90**	**386**	**14.3**	**419**
Inferred	**Z87**	-	-	-	-	-	-	-
	J4	2.9	0.85	0.043	0.92	81	2.8	87
	J5	0.7	0.78	0.059	0.87	18	0.9	20
	J4 Low	2.5	0.56	0.049	0.64	45	2.7	51
Total Inferred		**6.1**	**0.73**	**0.048**	**0.81**	**144**	**6.4**	**158**

Notes:

1. CIM definitions were followed for mineral resources.
2. Mineral resources were estimated at a cut-off grade of 0.3 g/t Au and were constrained by a Whittle pit shell.
3. Mineral resources were estimated using long-term metal prices of US$1,500 per ounce gold and US$3.50 per pound copper; and an exchange rate of US$1.00 = C$1.1.
4. AuEq = (34.59 * Au Grade + 54.02 * Cu grade)/ 34.59
5. A recovery of 83% was used for gold and 92% for copper.
6. Numbers may not add due to rounding.
7. Other than the receipt of necessary permits and ongoing reclamation obligations, Sulliden does not know of any material legal, political, environmental or other factors that could affect the development of the project.

The Company filed a technical report authored by Mr. Evans on July 8, 2016.

In June 2017 and amended in September 2017 and October 2017, the Company entered into an agreement with Pitchblack Resources Ltd. (“Pitchblack”) to sell the outstanding equity securities of 2507868, which houses the option agreement to acquire the Troilus mine. According to the agreement the sale would be completed through the amalgamation of 2507868, 251 and a subsidiary of Pitchblack.

In November 2017, the Company’s subsidiary, 2507868, completed a bought deal private placement offering selling an aggregate of 14,030,000 subscription receipts at a price of $1.64 per subscription receipt for aggregate gross proceeds of $23,009,200. Each subscription receipt entitled the holder to receive one common share of 2507868 and one common share purchase warrant upon satisfaction of the escrow release conditions. Each warrant entitled the holder to acquire one common share of 2507868, subject to standard adjustment provisions, at a price of $2.50 per share for a period of 36 months from the date of closing. The gross proceeds were held in escrow pending the satisfaction of certain escrow release conditions, including the completion of the amalgamation of 2507868, 251 and a subsidiary of Pitchblack, and the ultimate acquisition of the Troilus project by Pitchblack. Pitchblack consolidated their shares on a 4 to 1 basis concurrently with the completion of this transaction. On December 20, 2017, the Company announced that the escrow release conditions had been met and the subscription receipts were released to Pitchblack, and 2507868’s shares and warrants issued upon the conversion of the subscription receipts were exchanged for Pitchblack common shares and warrants, on a post consolidation basis. In connection with the Transaction, Pitchblack changed its corporate name and brand identity to Troilus Gold Corp. (“Troilus”).

On December 20, 2017, in exchange for the sale of 2507868 and its interest in the Troilus project, the Company received 15,000,000 shares of Troilus (formerly Pitchblack), on a post consolidation basis, with a fair market value of $24,600,000 resulting in a gain on disposition of 2507868 and the Troilus project of $23,614,336. As at December 20, 2017, the date of the transaction, the 15,000,000 shares represented approximately 36% of the issued and outstanding shares of Troilus. As at April 30, 2018, the Company owned a 34.8% interest in Troilus.

EAST SULLIVAN PROPERTY

The Company’s exploration property is located in the Abitibi region of Québec, about five kilometres southeast from the city of Val-d’Or. The property forms a single claim block that consists of 21 contiguous staked claims registered in 1981 for a total area of 334 ha.

The Company holds a 100% interest in these claims, which are all in good standing and not subjected to any royalty agreement. In Québec, staked mining claims require a $1,000 payment or work equivalent to be renewed on a two-year anniversary cycle. Suitable banked assessment credits originally generated by completing and filing eligible exploration work may be distributed on contiguous claims. Effective August 19, 2013, Sulliden Gold Corporation Ltd. had accumulated credits for a total of $1,083,514. Effective December 10, 2013, accumulated assessment credits have a period of validity of the longer of twelve years or twelve years after filing for eligible assessment work.

The Company’s exploration property is on public land, and permits would be obtained from the Ministère des Ressources Naturelles du Québec (“MRN”) for machinery access, for drilling, or mechanical trenching activities.

There are no surface rights associated to the land holding, but exploration work would be coordinated with other land users including the MRN, the Québec Environment and Sustainable Development Ministry (“MDDP”), the City of Val-d’Or and Agnico-Eagle’s Goldex-Manitou project managers in the area occupied by a tailings pile. The tailings pile left by the former East- Sullivan Mines has been rehabilitated by the MRN and a certificate of authorization issued by the MDDP is required before initiating a drill program from the tailings surface or the containment dam.

The exploration property includes the past producing site of the East-Sullivan Mine. This historical exploitation of copper-zinc (gold-silver) massive sulphide lenses left mining infrastructure and a large tailings pile covering the central part of the property. After closure of the mine in 1966, the site was abandoned and declared an orphan site by the government of Québec, and is still listed as such. The site was among the first to be reclaimed by the Québec Government in the early 1980's, because of acid drainage problem caused by the pyrite-rich tailings. Wood waste covering of the tailings pile to reduce oxidation by rain water was initiated in 1984. In addition, the pile was surrounded by a containment dam between 1992 and 1996. In 1998, a recirculation circuit was introduced by pumping the outflow water from the impoundment to the tailings pile, throughout the organic cover.

There is no direct liability for past production on the property for the Company, but future exploration and exploitation activities will have to be carried out in coordination with governmental representatives in order to keep the integrity of the tailings confinement system. Ultimately, the tailings pile can be further secured and used for tailings disposal in the case of any future production by constructing appropriate containment facilities for tailings and waste material.

Mineral Resource Estimate

There are no current mineral reserves or mineral resources for the exploration property. Further details relating to the exploration property can be found in the technical report (NI-43-101) titled *Technical Report on the East Sullivan Property, Abitibi, Quebec,* which is filed on SEDAR at www.sedar.com.

RESULTS OF OPERATIONS

For the three months ended April 30, 2018

For the three months ended April 30, 2018, the Company reported a net loss of $7,496,631 (or $0.18 per share), compared to a net loss of $1,969,045 for the three months ended April 30, 2017 (or $0.05 per share). Net comprehensive loss was $7,331,250 for the three months ended April 30, 2018 (three months ended April 30, 2017: comprehensive loss of $2,082,090).

Share-based compensation expense

Share-based compensation was $239,023 for the three months ended April 30, 2018 compared to a recovery of $6,861 for the three months ended April 30, 2017. Share-based compensation expense relates to (a) Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") and (b) share-based compensation costs from the granting of share purchase options to employees, directors and consultants of the Company.

		Q2-2018		**Q2-2017**
Restricted share units	$	272,776	$	16,940
Deferred share units		(33,753)		(23,801)
	$	239,023	$	(6,861)

During the three months ended April 30, 2018, the Company did not grant RSUs or DSUs to directors, officers, employees and consultants of the Company. The Company incurred share-based payment expenses related to accruals and/or vesting of the RSUs and DSUs during prior periods. The expense for RSUs and DSUs is higher for the current quarter due to grants during Q2-2018.

As a result of the Company adopting the RSU and DSU plans in 2014, as at April 30, 2018, the Company has allocated an aggregate of 7,345,000 RSUs to employees of the Company and an aggregate of 1,350,000 DSUs to the Company's independent directors.

Each RSU entitles an employee of the Company to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. Of the 7,345,000 RSUs, 3,000,000 RSUs vested in three equal tranches, on each of January 1, 2015, January 1, 2016 and January 1, 2017; 500,000 RSUs vest in three equal tranches on each of January 5, 2017, January 5, 2018 and January 5, 2019; 875,000 RSUs vested in three equal tranches on each of February 1, 2016, February 1, 2017 and February 1, 2018 and 2,970,000 vest in three equal tranches on each of June 1, 2018, February 1, 2019 and February 1, 2020. At April 30, 2018, no shares remained in treasury with the trustee.

Each DSU entitles the holder to receive a cash payment equal to the market price of one common share of the Company upon ceasing to hold office. As at April 30, 2018, 988,332 DSU's that are issued for current directors are fully vested, and 111,668 DSUs that are currently issued vest based on the pro-rata number of days each independent director remains a director of the Company until February 1, 2020, except in the event of an earlier change of control, in which case, the DSUs will vest fully upon such change of control.

Professional, consulting and management fees

Professional, consulting and management fees of $341,077 were incurred for the three months ended April 30, 2018 compared to $625,860 for the three months ended April 30, 2017 as follows:

		Q3-2018		**Q3-2017**
Salaries and benefits	$	110,005	$	351,764
Directors fees		25,000		26,042
Consulting fees		133,321		119,814
Legal, audit and professional fees		72,751		128,240
	$	341,077	$	625,860

Spend on salaries and benefits was lower in Q3-2018 as some officers, employees and consultants of the Company resigned during the nine months ending April 30, 2018 to join the management of Troilus. Consulting fees were higher in Q3-2018 than Q3-2017 due to addition of consultants and increase in fees from the same quarter in the prior year. Legal, audit and professional fees were higher during Q3-2017 compared to Q3-2018 as a result of costs associated with the Daos assets which the Company is the in the process of selling and costs associated with defaulted loan with APIO Africa Ltd. ("APIO"). Legal, audit and professional fees in Q3-2018 include costs associated with the closing of the sale of 2507868.

General and administrative expenses

General and administrative expenses for the three-month periods are reflected in the table below:

		Q3-2018		**Q3-2017**
General and office	$	54,157	$	64,491
Shareholder communication		50,010		41,510
Travel and accommodation		52,822		53,712
	$	156,989	$	159,713

General and office costs were lower during Q3-2018 compared to Q3-2017 as a result of a decrease in the Company's contractual fee for its shared office space as well as the cancellation of certain services. Shareholder communication was higher during Q3-2018 compared to Q3-2017 due to a sponsorship in the current quarter. Travel costs during Q3-2018 were comparable to Q3-2017.

Other

The Company's other expenses during Q3-2018 resulted primarily from unrealized loss in investments of $5,945,050 on securities that are classified as fair value through profit or loss ("FVTPL"). The unrealized loss was partially offset by realized gains of $924,569. During the comparative period ended April 30, 2017, the Company recorded an unrealized loss of $2,130,694 that was partially offset by realized gains of $1,075,371. See Related Party Disclosure section of this report.

As the Company is considered to have significant influence in Troilus and was considered to have significant influence in Aguia up to April 12, 2018, the investments have been accounted for using the equity method. Consequently, the Company recorded a loss from investment in associate of $1,664,928 for the three months ended April 30, 2018 of which $71,089 represents a proportionate share of Aguia's net loss (three months ended April 30, 2017: $131,832) and $1,593,839 represents a proportionate share of Troilus' net loss (three months ended April 30, 2017: $nil).

For the nine months ended April 30, 2018

For the nine months ended April 30, 2018, the Company reported net income of $14,401,126 (or $0.35 per share), compared to a net loss of $4,478,654 for the nine months ended April 30, 2017 (or $0.12 per share). Net comprehensive income was $14,537,449 for the nine months ended April 30, 2018 (nine months ended April 30, 2017: comprehensive loss of $4,506,410).

Share-based compensation expense

Share-based compensation was $824,257 for the nine months ended April 30, 2018 compared to $181,430 for the nine months ended April 30, 2017. Share-based compensation expense relates to (a) Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") and (b) share-based compensation costs from the granting of share purchase options to employees, directors and consultants of the Company.

		2018		**2017**
Share purchase options	$	215,678	$	-
Restricted share units		457,583		202,422
Deferred share units		150,996		(20,992)
	$	824,257	$	181,430

During the nine months ended April 30, 2018, The Company granted 2,970,000 RSUs and 200,000 DSUs to directors, officers, employees and consultants of the Company. The Company incurred share-based payment expenses related to accruals and/or vesting of the RSUs and DSUs during the period. The expense for DSUs is higher for the current period due to these grants during the period. In addition, the value of the DSUs is based on the Company's share price which was lower in the previous year, resulting in a lower expense during the nine months ended April 30, 2017. The Company granted 935,000 options during the period to directors, officers, employees and consultants of the Company with a grant date fair value of $215,678 based on the Black-Scholes option pricing model. There was no grant of options in the same period in the prior year.

Professional, consulting and management fees

Professional, consulting and management fees of $3,353,617 were incurred for the nine months ended April 30, 2018 compared to $1,928,038 for the nine months ended April 30, 2017 as follows:

	2018	2017
Salaries and benefits	$ 678,800	$ 1,040,500
Directors fees	75,000	63,542
Consulting fees	2,156,446	404,321
Legal, audit and professional fees	443,371	419,675
	$ 3,353,617	$ 1,928,038

Spend on salaries and benefits was lower in the nine months ended April 30, 2018 as some officers, employees and consultants of the Company resigned during the period to join the management of Troilus. Directors fees were slightly higher as a result of a new director holding office during the current period. Consulting fees during the nine months ended April 30, 2018 were higher than the same period in the prior year due to higher bonuses granted to consultants associated with the successful completion of the sale of 2507868 and the Troilus project. Legal, audit and professional fees were higher during 2018 compared to 2017 as a result of costs associated with the Daos assets which the Company is the in the process of selling and costs associated with the closing of the sale of 2507868.

General and administrative expenses

General and administrative expenses for the nine-month periods are reflected in the table below:

	2018	2017
General and office	$ 170,256	$ 223,229
Shareholder communication	144,816	163,296
Travel and accommodation	249,614	93,932
	$ 564,686	$ 480,457

General and office costs were lower during 2018 compared to 2017 as a result of a decrease in the Company's contractual fee for its shared office space as well as the cancellation of certain services. Shareholder communication were lower during 2018 compared to 2017 due to the cancellation of services. Travel costs are higher during 2018 compared to 2017 as a result of increased activity following the sale of the Troilus assets and travel associated with trying to resolve the Company's litigation proceedings with APIO.

Other

The Company's income during 2018 results primarily from its gain on disposition of 2507868 and the Troilus project of $23,614,336. In addition, the Company recorded unrealized gains of $319,192 for the nine months ended April 30, 2018 on securities that are classified as fair value through profit or loss ("FVTPL"). Increases in the market value of securities held contributed to this gain. During the comparative period ended April 30, 2017, the Company recorded an unrealized loss of $3,813,839. As well, the Company sold securities during the period, recognizing a realized gain of $1,487,176 for the nine months ended April 30, 2018 (nine months ended April 30, 2017: $2,400,791). See Related Party Disclosure section of this report.

As the Company is considered to have significant influence in Troilus and was considered to have significant influence in Aguia up to April 12, 2018, the investments have been accounted for using the equity method. Consequently, the Company recorded a loss from investment in associate of $5,420,242 for the nine months ended April 30, 2018 of which $242,315 represents a proportionate share of Aguia's net loss (nine months ended April 30, 2017: $485,679), and $5,177,927 represents a proportionate share of Troilus' net loss (nine months ended April 30, 2017: $nil).

SUMMARY OF QUARTERLY RESULTS

	April 30, 2018 Q3-2018	January 31, 2018 Q2-2018	October 31, 2017 Q1-2018	July 31, 2017 Q4-2017
Interest income	$ 10,083	$ 10,188	$ 9,539.00	$ 3,097
Net income/(loss)	(7,496,631)	19,118,342	2,779,415	(447,635)
Net income/(loss) and comprehensive income/(loss)	(7,331,250)	19,034,354	2,834,345	(599,293)
Basic and diluted net income/(loss) per share	(0.18)	0.47	0.07	(0.01)
Total assets	36,850,397	44,204,053	23,869,299	21,937,848

	April 30, 2017 Q3-2017	January 31, 2017 Q2-2017	October 31, 2016 Q1-2017	July 31, 2016 Q4-2016
Interest income	$ -	$ -	$ 14,483	$ 10,314
Net income/(loss)	(1,969,045)	6,463	(2,516,072)	(3,615,837)
Net income/(loss) and comprehensive income/(loss)	(2,082,090)	135,329	(2,559,649)	(3,351,605)
Basic and diluted net income/(loss) per share	(0.05)	-	(0.07)	(0.10)
Total assets	21,229,371	22,268,033	22,451,266	24,900,925

The granting of stock options, RSUs and DSUs and bonuses in a particular quarter gives rise to stock-based compensation expense. This can generate fluctuations in expense and net income or loss quarter over quarter. As well, fluctuations in market prices of securities causes volatility in net income or loss through unrealized gains, as well as through the sale of securities. In Q1-2018 and Q2-2017, mark-to-market fluctuations resulted in gains generating income during the quarter while in Q3-2018, Q3-2017 and Q1-2017, mark-to-market fluctuations resulted in losses. The Company realized gains on the sale of investments in several of these quarters. As well, bonus grants contributed to the loss in Q4-2016. Earnings from a royalty buyout reduced net loss during Q4-2017. The sale of 2507868 (a previously wholly owned subsidiary of the Company) in Q2-2018 resulted in a gain on disposition. Comprehensive loss accounts for foreign exchange translation changes related to the Company's equity investment.

Total assets also vary as a result of the fluctuations in market prices of securities as well as the sale of securities as these investments make up a large proportion of total assets. The Company had been investing in the Troilus project. The Troilus expenses were being capitalized.

FINANCIAL POSITION

As at April 30, 2018, the Company held cash and cash equivalents of $255,174 (July 31, 2017: $1,023,175), investments at fair market value through profit and loss of $17,290,004 (July 31, 2017: $14,693,725), and loans receivable of $353,070 (July 31, 2017: $314,075). The loan receivable as at April 30, 2018 represents an unsecured convertible promissory note.

During the year ending July 31, 2016, the Company impaired a loan receivable from APIO Africa Ltd. (“APIO”) by $2,195,900. An amount of US$1,750,000 ($2,195,000) was owed by APIO to the Company. The maturity date of this loan was May 3, 2016. APIO defaulted on the loan, and the Company exercised its security against the assets of APIO by taking shares in APIO’s subsidiary Daos. Daos, through its 75% owned subsidiary, owns a data centre and various assets associated with this data centre. It is the intention of the Company to sell these assets to try to recoup some of the outstanding APIO loan. As at April 30, 2018, the investment in Daos is treated as an asset held for sale, with the fair value of assets estimated at $nil and the fair value of liabilities estimated at $nil.

Mineral and exploration assets consist of the Company’s interest in the East Sullivan property and the Troilus project discussed above. The Troilus project was reclassified as an asset held for sale as at October 31, 2017 and sold during Q2-2018.

The Company’s equity interest in Aguia was $nil as at April 30, 2018 (July 31, 2017: $4,777,972). On April 12, 2018, the Company re-assessed the level of influence that the Company had with respect to Aguia and determined it no longer had significant influence. As a result the Company’s retained interest in Aguia has been recognized as a financial asset and is included in investments at fair market value through profit and loss.

The Company’s equity interest in Troilus was $18,513,759 as at April 30, 2018 (July 31, 2017: $nil). The fair market value of the 14,443,293 shares of Troilus held by the Company at April 30, 2018 was $23,831,433.

Accounts payable and accrued liabilities totaling $695,314 at April 30, 2018 (July 31, 2017 - $1,524,865) are comprised primarily of amounts payable of $254,924 and accrued liabilities of $440,390. Included in accrued liabilities is a DSU liability of $345,917 that is comprised of 988,332 vested DSUs at a share price of $0.35.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2018, the Company had net working capital (see Non-IFRS measures) of $17,499,957 (July 31, 2017: $14,674,272). The Company expects to rely on its existing net working capital to finance its ongoing activities.

As at April 30, 2018, the Company had 41,462,851 common shares issued and outstanding, 7,099,979 share purchase warrants outstanding and 3,466,600 share purchase options outstanding which would generate $2,859,990 and $1,203,044 respectively, if exercised in full. The Company does not know when or how much will be collected from the exercise of these options and warrants as this is dependent on both the determination of the holder and the market trading price of the Company’s common shares. The Company does not have any long-term debt as of the date of this MD&A and its interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

CASH FLOWS

Operating

Cash used in operating activities was $4,997,417 for the nine months ended April 30, 2018 compared to $2,204,609 for the nine months ended April 30, 2017. Cash use related to operating expenses for the nine months ended April 30, 2018 was $3,892,002 as generally discussed in the Results of Operations section of this report (nine months ended April 30, 2017: $2,418,496). Changes in working capital items used $1,105,415 during the nine months ended April 30, 2018 (nine months ended April 30, 2017: a source of $213,887). Bonuses that were accrued at year end were paid out during the nine months ended April 30, 2018.

Financing

Cash used in financing activities during the nine months ended April 30, 2018 was $219,416 compared to $672,845 provided by financing activities during the nine months ended April 30, 2017. The use of cash in the current period was for the purchase of its own shares from the market to fund the vesting of RSUs (April 30, 2017 - $322,155). During the nine months ended April 30, 2017, the Company also borrowed $1,000,000 as a short-term loan and paid $5,000 in set up fees.

Investing

Cash provided by investing activities for the nine months ended April 30, 2018 was $4,448,832 compared to $1,215,726 for the nine months ended April 30, 2017. The purchase of investments at fair market value through profit and loss used $3,050,694 for the nine months ended April 30, 2018 with the Company investing in securities during the period (nine months ended April 30, 2017: $4,511,604). The Company acquired shares of certain public resource and other sector companies (see Related Party Disclosure section of this report) including its equity investment in Aguia. The Company sold some of these investments generating cash of $7,669,811 during the nine months ended April 30, 2018 (nine months ended April 30, 2017: $5,784,295). There was no loan activity on a cash basis during the nine months ended April 30, 2018, however during the nine months ended April 30, 2017 the Company issued $226,842 in loans, and was repaid $506,000 in loans, receiving $73,122 in interest and loan arrangement fees. The Company used $170,285 in exploration and evaluation expenditures during the nine months ended April 30, 2018 compared to $409,245 during the nine months ended April 30, 2017.

CAPITAL STRUCTURE

Number of:	As at April 30, 2018	As at June 8, 2018
Common Shares	41,462,851	41,462,851
Options	3,466,600	3,466,600
Warrants	7,099,979	7,099,979

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at April 30, 2018 were as follows:

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total
As at April 30, 2018				
Cash	$ 255,174	$	$ -	$ 255,174
Investments	17,290,004	-	-	17,290,004
Loan receivable	-	353,070	-	353,070
Amounts receivable and other	-	276,641	-	276,641
Accounts payable and accrued liabilities	-	-	695,314	695,314

Fair value hierarchy

The three levels of the fair value hierarchy with respect to required disclosures about the inputs to fair value measurements are:

- 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.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at April 30, 2018.

	Level 1	Level 2	Level 3	TOTAL
As at April 30, 2018				
Cash	$ -	$ 255,174	$ -	$ 255,174
Investments	16,696,231	593,773	-	17,290,004

The carrying value of cash, loans receivable, amounts receivable and other, and accounts payable and accrued liabilities approximate fair value because of the relatively short-term maturities.

Interest rate risk

Loans receivable bear interest at fixed rates. All other financial assets are non-interest bearing. A 1% increase in interest rates, based on the balance of cash, cash equivalents and fixed income investments at April 30, 2018, would result in an increase in annual interest income of approximately $2,550. All liabilities as at April 30, 2018 are non-interest bearing.

Foreign currency risk

The Company operates in Canada and its functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has acquired some investments, including its investment in an associate, which are denominated in foreign currency. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, loans receivable and amounts receivable. The Company has no significant concentration of credit risk arising from operations.

Cash and cash equivalents of cash and GICs held in financial institutions from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist primarily of goods and services tax and harmonized sales tax due from the Federal Government of Canada.

Liquidity risk

As at April 30, 2018, the Company had net working capital (see non-IFRS measures) of $17,499,957, which included cash and cash equivalents of $255,174, investments of $17,290,004, loan receivable of $353,070 and amounts receivable and prepaid expenses of $297,023 offset by current liabilities of $695,314. The Company expects to rely on its existing net working capital to finance its ongoing planned activities. See Non-IFRS Measures.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in commodities prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Securities price risk

The Company carries investments in certain public securities for which price fluctuations can affect the Company's earnings. The Company classifies these investments as held-for-trading where price volatility is reflected in earnings.

RELATED PARTY DISCLOSURES

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Related party balances

The Company shares office space, resources and certain services with other corporations. The costs associated with these services, including the provision of office equipment and supplies, and certain other services, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly flat fee. For the three and nine months ended April 30, 2018, the Company was charged $75,000 and $225,000 for these services (three and nine months ended April 30, 2017: $75,000 and $250,000). As well, the Company was charged an additional $3,750 and $66,557 by 2227929 Ontario Inc. for other services (three and nine months ended April 30, 2017: $35,287 and $94,805).

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel were as follows:

	Q3-2018	Q3-2017	2018	2017
Management salaries and fees	$ 114,321	$ 319,071	$ 2,342,653	$ 957,213
Directors fees	25,000	26,042	75,000	63,542
Share-based payments	156,641	(10,117)	684,552	49,518
	$ 295,962	$ 334,996	$ 3,102,205	$ 1,070,273

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the Board of Directors of the Company having regard to the performance of individuals and market trends.

As at April 30, 2018, the Company holds investments in certain public resource and other sector companies that are related party entities, related by virtue of the relationship with common directors.

Public Issuer		Security description	Cost	Estimated Fair value
Aberdeen International Inc.	i	3,751,000 common shares and 4,790,000 warrants	798,232	629,379
Trigon Metals Inc.	ii.	1,253,022 common shares and 829,166 warrants	739,788	285,024
Euro Sun Mining (formerly Carpathian Gold Inc.)	iii	2,187,825 common shares, 1,966,213 warrants	3,516,429	3,172,544
			$ 5,054,449	$ 4,086,947

i. The Company's executive chairman, Stan Bharti, serves as director of this company.
ii. The Company's former CEO, Justin Reid, serves as director of this company.
iii. The Company's former executive director and senior vice president, Peter Tagliamonte, serves as director of this company; the Company's executive chairman, Stan Bharti, serves as director of this company. The Company's former CEO, Justin Reid, serves as director of this company.

COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $397,500 (as at July 31, 2017 - $1,314,000) and additional contingent payments of approximately $3,015,000 (as at July 31, 2017 - $8,120,000) upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these condensed interim financial statements.

The Company is obligated to deliver common shares of the Company to the holders of RSUs granted under the terms of its RSU Plan. See Note 10 of the condensed interim consolidated financial statements for the three and nine months ended April 30, 2018 and 2017.

The Company is currently involved in a litigation proceeding with APIO whereby APIO is challenging the Company's actions with respect to the transfer of the DAOS shares. APIO is seeking monetary compensation. A reliable estimate of the amount of the claim cannot be made at this time given the early stages of the claim. The probability of the outcome is also uncertain. The Company is vigilantly defending its actions with respect to these claims.

SUBSEQUENT EVENTS

Subsequent to the end of the quarter, the Company sold investments generating $108,356 in net proceeds.

On May 21, 2018, a convertible note purchase agreement with ANM Inc. was amended to extend the maturity date to (1) December 28, 2018 or (2) upon change of control of ANM Inc., whichever occurs first (the "Maturity Date").

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION AND CRITICAL ACCOUNTING ESTIMATES and CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company's financial statements are the responsibility of the Company's management. The condensed interim consolidated financial statements were prepared by the Company's management in accordance with IFRS. A description of the Company's significant accounting policies can be found in the notes of the Company's audited annual consolidated financial statements for the year ended July 31, 2017.

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include but are not limited to:

- Valuation of Exploration and evaluation assets - The Company carries its mineral properties at cost less any impairment losses. The Company capitalizes exploration and evaluation costs, which are related to specific projects, until the commercial feasibility of the project is determinable or the project is determined to be impaired. Costs are charged to operations when a property is abandoned or when impairment in value has been determined. The Company reviews the carrying values of mining properties and related expenditures whenever indicators of impairment exist or changes in circumstances indicate that their carrying values may not be recoverable. In undertaking this review, management is required to make significant estimates which are subject to various risks and uncertainties. Estimates may include, but are not limited to estimates of future metal prices, capital and operating costs, the quantities of mineral reserves to be mined and expected recoveries of minerals contained in ore, the ability to convert resources into economically mineable reserves, discount rates and; in the case of fair value less costs to sell, the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties and exploration and evaluation assets.

- Income taxes and recoverability of potential deferred tax assets - In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-Based Payments - Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Determination of Significant Influence of Investment in Associates - As at April 30, 2018, the Company has classified its investment in Troilus as an associate based on management's judgment that the Company has significant influence through its ownership of 34.8% of the voting rights.

DISCLOSURE CONTROLS AND PROCEDURES

Subject to the limitations, if any, described below, the Company's CEO and CFO have, as at the end of the nine months ended April 30, 2018, designed Disclosure and Control Procedures, ("DC&P") or caused it to be designed under their supervision, to provide reasonable assurance that:

- Material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

- Information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation;

Internal control over financial reporting has been designed, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

There have been no significant changes to the Company's disclosure controls and procedures and internal controls over financial reporting that occurred during the nine months ended April 30, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures and internal control over financial reporting.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The CEO and CFO have certified that Internal Controls over Financial Reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Audit Committee of the Company has reviewed this MD&A, and the condensed interim consolidated financial statements for the nine months ended April 30, 2018, and the Company's board of directors approved these documents prior to their release.

NON-IFRS MEASURES

The Company has identified certain measures that it believes will assist understanding of the financial performance of the business. As the measures are not defined under IFRS they may not be directly comparable with other companies' adjusted measures. The Non-IFRS measures are not intended to be a substitute for, or superior to, any measures of performance but management has included them as these are considered to be important comparables and key measures used within the business for assessing performance. These measures are explained further below:

Working capital

This MD&A refers to working capital, which is not a recognized measure under IFRS. This Non-IFRS performance measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Management uses this measure internally. The use of this measure enables management to better assess performance trends. Management understands that a number of investors and others who follow the Company's performance assess performance in this way. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The definition for working capital and reconciliation of the Non-IFRS measure to reported IFRS measures is as follows:

As at:		April 30, 2018		July 31, 2017
Cash and cash equivalents	$	255,174	$	1,023,175
Investments, at fair market value through profit and loss		17,290,004		14,693,725
Loans receivable		353,070		314,075
Amounts receivable and other		276,641		156,043
Prepaid		20,382		12,119
		18,195,271		16,199,137
Current Liabilities				
Accounts payable and accrued liabilities		695,314		1,524,865
Working Capital (current assets less current liabilities)	$	**17,499,957**	$	**14,674,272**

CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, warrants and share purchase options. The Company manages its capital structure and makes adjustments based on the funds available to support the acquisition, exploration and development of its mineral properties. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain the future development of the business.

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets. The Company and its subsidiaries are not subject to externally imposed capital requirements.

RISK AND UNCERTAINTIES

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. These risks include dependence on key individuals. The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, exploration and development of mining projects. These risks could materially affect the Company's future operating results and could cause actual events to differ materially from those described herein and in forward-looking statements and forward-looking information relating to the Company. The risks of the Company are also described in the Company's AIF, which can be found under the Company's profile at www.sedar.com.

No Revenues

To date, the Company has not recorded any revenues from operations nor has the Company commenced commercial production on any property. There can be no assurance that the Company has sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's expenses and capital expenditures will increase as consultants, personnel associated with the exploration, and possible development are advanced. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's property will continue to require the commitment of substantial resources. There can be no assurance that the Company will continue as a going concern, generate any revenues or achieve profitability.

Current Global Financial Conditions

Financial markets globally have been subject to increased volatility. Access to financing for the Corporation has been negatively affected by low precious metals prices, uncertain economic conditions and uncertainty with respect to sovereign defaults and liquidity throughout the world. These factors may negatively affect the ability of the Corporation to obtain financing in the future and, if obtained, on terms favourable to the Corporation. If these levels of volatility and market turmoil continue or worsen, the Corporation may not be able to secure appropriate debt or equity financing when needed, which could affect the trading price of the Corporation's securities in an adverse manner.

Investment Exposure

Given the nature of SMC's activities and recent investments made by the Company to deploy its capital in the short term, the results of operations and financial condition of the Company are dependent upon the market value of the securities purchased. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the resource and other sectors. Various factors affecting the resource and other sectors could have a negative impact on the Company's investments and thereby have an adverse effect on its business. Additionally, the Company's investments are mostly in small-cap businesses that may never mature or generate adequate returns or may require a number of years to do so. Junior exploration companies may never achieve commercial discoveries and production. Company-specific and industry-specific risks that materially adversely affect the Company's investments may have a materially adverse impact on operating results.

Nature of Mining, Mineral Exploration and Development Projects

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Corporation towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Mining operations generally involve a high degree of risk. The Corporation's operations are subject to the hazards and risks normally encountered in mineral exploration and development, including environmental hazards, explosions, and unusual or unexpected geological formations or pressures. Such risks could result in damage to, or destruction of, mineral properties, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

No Mineral Resources or Mineral Reserves have been estimated at East Sullivan

The East Sullivan Property is in the exploration stage and sufficient work has not been done to describe mineralization on the property with enough geological confidence for such mineralization to be reported as a mineral resource or mineral reserve. There is no assurance given by the Corporation that continuing work on the property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or mineral reserve, or to economically extract it.

Mineral Resource Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks, however, such risks have not been eliminated, and significant risk of environmental contamination from present and past exploration or mining activities still exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the East Sullivan Property or for the Troilus Project do not exist.

Liquidity Concerns and Future Financings

The Company will require capital and operating expenditures in connection with the exploration and development of its properties and for working capital purposes. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. The only sources of future funds presently available to the Company are the sale of equity capital, the sale of securities held, or the offering by the Company of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Company to reduce, delay or terminate its proposed operations, with the possible loss of such operations.

Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on acceptable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Corporation to postpone or slow down its development plans, delay or forfeit rights to certain acquisitions, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Share Price Fluctuations

The market price of securities of many companies, particularly junior exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur. As well, the Corporation has invested in a small number of junior companies. Fluctuation in the share prices of these companies may significantly affect the valuations of the Corporation's assets.

Foreign Exchange

Mineral commodities and acquisition opportunities are typically sold in U.S. dollars. The Company has also invested in foreign investments, including its investment in associate. The Company's operations are in Canada. As a result, the Company is subject to foreign exchange risks relating to the relative value of the U.S. dollar as compared to the Canadian dollar.

Country Risk

The Company's equity investment in Aguia is subject to risks normally associated with the conduct of business in Brazil. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts; tax disputes; changes in tax policies; restrictions on foreign exchange; changing political conditions; community relations; currency controls; and governmental regulations that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Brazil may adversely affect the operations of Aguia and affect the Company's equity investment.

The Company's ownership of the Daos shares and its intent to sell the data centre in Mozambique is subject to risk associated with the conduct of business in Mozambique. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; tax disputes; changes in tax policies; restrictions on foreign exchange; changing political conditions; community relations; and currency controls.

Insufficient Insurance Coverage

The Company's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of: the Company's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive regulatory approvals to transport their products, or costs, monetary losses and potential legal liability and adverse governmental action. The Company may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to The Company.

Competition

The Company competes with many other mining companies that have substantially greater resources. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund the Company's operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operations and business.

Dependence on Outside Parties

The Company has relied and will rely upon consultants, geologists, engineers and others and intends to rely on these parties for exploration and development expertise. Substantial expenditures are required to pursue acquisition opportunities and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other mining companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Income and other taxes

The Corporation is subject to income and other taxes in Canada. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Corporation's income and other tax liabilities requires interpretation of complex laws and regulations. The Corporation's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made. As of the date of the statement of financial position, no liability in respect of pending tax issues has been recognized in the financial statements.

OFF BALANCE SHEET ITEMS

The Company does not have any off-balance sheet terms.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information on the Company is available through regular filings of press releases on SEDAR (www.sedar.com), or by visiting the Company's website at www.sulliden.com.

FORWARD-LOOKING INFORMATION AND CAUTIONARY STATEMENTS

Except for statements of historical fact relating to the Company certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to future economic estimates, including mineral resource estimates; acquisition opportunities of the Company; currency exchange rates; merits of litigation; ability to receive repayment on loans; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'' or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will be taken'', ''occur'' or ''be achieved''. Forward-looking information is based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes; other risks of the mining industry and other risks described herein. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 information.

All forward-looking statements made in this MD&A are qualified by these cautionary statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities law.

LIST OF OFFICERS AND DIRECTORS

Stan Bharti,	Executive Chairman and Interim Chief Executive Officer
Deborah Battiston,	Chief Financial Officer
Bruce Humphrey,	Director
Diane Lai,	Director
Hon. Pierre Pettigrew	Director
William Clarke	Director