

This Management’s Discussion and Analysis (“MD&A”) of the financial position and results of operations is intended to supplement the unaudited condensed consolidated interim financial statements of Trek Mining Inc. (“the Company” or “Trek Mining”) for the three months ended March 31, 2017 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com.

This MD&A is prepared by management and approved by the Board of Directors as of May 26, 2017. This discussion covers the three months ended March 31, 2017 and the subsequent period up to the date of issue of the MD&A. All dollar amounts are in United States (“US”) dollars, except where otherwise noted. The Company changed its functional currency on January 1, 2016 from the Canadian dollar to the US dollar.

On October 6, 2016, the Company consolidated its common shares on a 6.45 for 1 basis. All share and per share amounts in this MD&A have been adjusted to reflect this consolidation.

Information on risks and uncertainties associated with investing in the Company’s securities and technical and scientific information under National Instrument 43-101 concerning the Company’s material properties, including information about mineral reserves and resources, are contained in the Company’s most recently filed technical report, “Pre-feasibility Study on Aurizona Mine Project, Maranhão, Brazil (Amended)” dated November 26, 2016.

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements and are directed to those risks and uncertainties discussed in the Joint Management Information Circular dated February 22, 2017 and the 2016 annual MD&A dated April 26, 2017, both of which are filed on SEDAR.

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Company overview

Trek Mining is a growth-focused mining company with a portfolio of production, near-production and exploration-stage projects in North and South America. The Company's principal assets are its past-producing 100%-owned Aurizona gold project in Brazil ("Aurizona"), its 75% interest in the Koricancha gold milling operation in Peru ("Koricancha") and its 100%-owned Warintza copper-molybdenum exploration property in Ecuador ("Warintza"). The Company also holds 100% of the Ricardo copper-molybdenum exploration property in Chile and 100% of the resource-bearing Elk Gold project in Canada and is actively evaluating additional mineral properties. The Company is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol "TREK".

Trek Mining was created on March 31, 2017 upon completion of a business combination with Luna Gold Corp. ("Luna Gold") and a change in name from JDL Gold Corp.

Quarterly highlights and recent developments

Corporate and other

- Completed the acquisition of Luna Gold Corp. and concurrently raised \$61.4 million from a non-brokered private placement and a brokered bought-deal financing
- Increased cash and available-for-sale investments balance to \$85.7 million as at March 31, 2017
- Repayment and conversion of all cash debt associated with Luna Gold in anticipation of arranging project financing for the Aurizona project

Exploration and operations

- Hired experienced senior Brazilian leaders for Aurizona project development and operations
- Commenced near-mine and district exploration programs at Aurizona
- Exploration results confirmed extension of mineralization along strike from existing Piaba reserves
- AngloGold Ashanti Holdings plc ("AGA") joint venture completed 38,000 line km geophysics program and commenced drilling on the joint venture concessions
- Sales of 2,230 ounces of gold from Koricancha
- Cash used in operations of \$2.9 million
- Obtained five additional exploration concessions at Warintza, consolidating the district

Acquisition of Luna Gold Corp.

On March 31, 2017, the Company completed the acquisition of Luna Gold Corp. (the "Luna Transaction"). Under the terms of the Luna Transaction, each outstanding share of Luna Gold was exchanged for 1.105 Trek Mining common shares (the "Luna Exchange Ratio") and holders of outstanding Luna Gold convertible securities are entitled to acquire common shares of Trek Mining based on the Luna Exchange Ratio.

The combined company has a strong cash position and a diverse portfolio of assets in the Americas, anchored by planned near-term production from Aurizona and increasing gold production from Koricancha. Aurizona is expected to be an open-pit mine producing approximately 150,000 ounces of gold per year in its first five years of production. In addition, the exploration potential at Aurizona and a pipeline of exploration-stage projects provide a platform for internal growth.

The purpose of the Luna Transaction was to add a flagship, near-term production asset to the Company's portfolio of earlier stage assets. The key aspects of the Luna Transaction included the following:

- 1) Purchasing all the outstanding shares of Luna Gold and thereby acquiring its Aurizona gold project via the issuance of 48.4 million Trek Mining shares;
- 2) Raising \$61.4 million, net of financing fees, in cash to fund exploration and development and restructure the balance sheet. The cash was raised through the issuance of 41.7 million

units⁽¹⁾, where each unit consists of one common share and one warrant⁽²⁾.

- 3) Extinguishing all non-convertible debt of the combined company by:
- a. Paying \$20.8 million in cash to settle the short and long-term notes due to Pacific Road Capital Funds (“Pacific Road”); and
 - b. Issuing 19.5 million common shares and 8.5 million warrants⁽²⁾ to settle a \$25.5 million debt facility due to Sandstorm Gold Ltd. (“Sandstorm”).

(1) Each unit was priced at C\$2.00. 31.7 million units were issued in a non-brokered private placement and 10.0 million units were issued via a brokered private placement.

(2) One warrant entitles the warrant holder to purchase one common share at a strike price of C\$3.00. The warrants are publicly traded on the TSX-V under the ticker symbol TREK.WT and expire October 6, 2021.

In total, Trek Mining issued 109.6 million shares and 78.2 million warrants in connection with the Luna Transaction.

At the close of the transaction on March 31, 2017, and after the settlement of the above-noted debts, Trek Mining’s balance sheet included \$85.6 million in cash, cash equivalents and available-for-sale investments and a convertible debenture due to Sandstorm of \$26.8 million. The debenture is convertible at Trek Mining’s election based on the 20-day volume weighted average price prior to conversion. See note 10(a) of the Q1 2017 unaudited condensed consolidated interim financial statements for a description of the debenture.

Aurizona initial exploration results

In April 2017, Trek Mining initiated a 30,000 metre drill program with the goal of extending the current Aurizona mine life beyond seven years. In May, as part of the program, a step-out hole that is 300 metres along strike west of the existing Piaba gold deposit (“Piaba West”) intersected 3.90 grams per tonne gold (“gpt Au”) over 11.0 metres. In addition, results from 18 other shallow holes totalling 1,594 metres demonstrated that significant gold mineralization persists below the shallow, westernmost section of the reserve pit and that the Piaba gold deposit extends along strike at least 300 metres to the west.

Highlights of individual exploration drill holes reported in May 2017 at Piaba West include:

- 3.90 gpt Au over 11.0 m;
- 1.95 gpt Au over 4.0 m and 2.17 gpt Au over 5.0m;
- 28.16 gpt Au over 4.0 m including 112 gpt over 1.0 m;
- 2.63 gpt Au over 9.0 m;
- 0.99 gpt Au over 15.0 m; and
- 1.22 gpt Au over 33.0 m including 2.27 gpt Au over 11.0 m.

Warintza exploration

The Company received two more claims, in addition to the three announced in January 2017. The Warintza property size now totals 26,777 hectares The claims are highly prospective for discovery of gold and copper mineralization. The five claims received in 2017 are free of nongovernmental royalties.

Outlook

Aurizona feasibility and development

The Company’s primary focus is advancing Aurizona toward production with the objective of pouring gold by year-end 2018. Results of the Aurizona feasibility study are expected to be released by the end of Q2 2017 and will provide the engineering and economic information that Trek Mining’s Board of Directors requires to make a construction decision for the project. During Q3 2017, the Company expects to receive the permit amendment it requires for mill expansion to 8,000 tonnes per day and to announce arrangement of project construction financing.

Aurizona exploration

During Q2 2017, the Company initiated its planned 30,000 metre combined diamond and reverse circulation drill exploration program. The purpose of the exploration program is to identify gold

mineralization that can extend the life-of-mine beyond what is included in the existing reserves of almost one million ounces. The current combined reverse circulation and diamond drill program is focused on near-mine targets immediately west of the existing Piaba pit and high-priority targets located along strike from existing reserves.

Concurrent with the Company's near-mine exploration, which the company refers to as brownfields, the broader Aurizona land package located outside of the Company's 100%-owned Aurizona mine and brownfields concessions, which the company refers to as 'greenfields', is being explored in a joint venture with AGA (the "JV Greenfields"). AGA has completed a 38,000 line-kilometre regional airborne magnetic survey over the entire land package and has mobilized a diamond drill rig with the expectation of drilling 18,000 metres on the Aurizona greenfields in 2017.

Koricancha operations

Koricancha resumed ramp-up activities in late Q4 2016 and has consistently increased its throughput and production every month. The Company plans to continue ramping up purchases of mineralized feed and milling throughput at Koricancha throughout 2017. Koricancha processes gold-bearing material purchased from small scale and artisanal miners throughout Peru. In connection with its growth strategy, Koricancha is increasing infrastructure and head count dedicated to increasing mill feed and servicing the mines from which it purchases mill feed.

Warintza exploration

In recent months, the Company has been involved in discussions with various stakeholders regarding further exploration and development at the Warintza project. Trek Mining is currently expanding its local, regional and federal outreach programs, in cooperation with the government and the Shuar indigenous community, to establish the relationships and social support required to recommence Warintza exploration activities.

Mineral and other projects

Aurizona Gold Mine, Brazil

The Aurizona Project consists of a past-producing open-pit gold mine and processing plant. Aurizona constitutes a large land package totaling approximately 241,400 hectares that includes the Aurizona mining license, brownfields exploration properties close to the Aurizona mine site and earlier-stage greenfields exploration properties that are subject to an earn-in agreement with AGA. Brownfield properties, including the Piaba deposit, are subject to a graduated royalty to Sandstorm that ranges from 3% - 5%, depending on the price of gold.

The Aurizona Project produced a total of 329,042 ounces of gold over a period of five years from 2010 to 2015 at an average grade of 1.28 gpt gold and average recoveries of 88%. Mining operations ceased in February 2015 because the processing plant did not have a crusher and therefore could not economically process the transition and hard-rock material contained in the mineral reserves. Luna Gold finished processing available ore stockpiles and placed Aurizona on care and maintenance in Q3 2015. Since Q3 2015, Luna Gold has been focused on redevelopment of the Aurizona Project with the objective of restarting operations. Concurrent with decommissioning and care and maintenance of the processing plant, Luna Gold completed 15,142 metres of oriented core drilling, 3,264 metres of reverse circulation drilling and extensive metallurgical and technical work to gain a refined understanding of the ore body and a new 4D structural geology model.

On September 12, 2016, Luna Gold released the results of a pre-feasibility study (the "Pre-feasibility Study") for the Aurizona Project. The Pre-feasibility Study is based on a new mine plan and mineral reserve estimate and outlines the design of an open-pit gold mine producing an average of 150,000 ounces of gold per year for the first five years, with an initial 6.5-year mine life. The re-engineered mine plan for Aurizona includes an entirely new crushing and grinding circuit that will allow all known types of mineral bearing rock at Aurizona to be processed through the Company's gold recovery plant. Processing capacity will also be increased from 5,500 tonnes per day to 8,000 tonnes per day. All major mine elements are already in place, including a tailings facility and waste dumps, a dedicated power line, camp offices and accommodations, water supply, roads and communications. While the majority of the back-end of the processing plant is fit for use, the new mine plan requires upgrades to

the power substation, a new mine fleet and some upgrades to existing infrastructure, all of which is captured in the \$146 million capital cost estimate. The Company is also in the process of modifying its mining permit to allow for the increased throughput.

The Company expects to finalize a feasibility study for the project in Q2 2017 followed by an 18-month construction period. The anticipated restart of operations at Aurizona will reflect the new mine plan and will require the Company to amend its existing federal and state operating and environmental permits and licenses. The Company will require additional capital to construct a hard rock processing facility, expand throughput of the mill, upgrade the power substations and expand capacity of the tailings storage facility in order to achieve the goal of pouring gold at Aurizona by year-end 2018. While cash currently on hand is expected to meet other forecast capital outlays through to the end of 2018, additional capital will be required to fund the construction and development of Aurizona.

Proven and Probable Mineral Reserves for Aurizona were estimated in the Pre-feasibility Study at 969,000 ounces of gold, with 368,000 ounces of gold in the Proven category contained in 6.4 million tonnes of ore at a grade of 1.80 gpt gold and 601,000 ounces of gold in the Probable category contained in 12.3 million tonnes of ore at a grade of 1.52 gpt gold. Measured Mineral Resources are estimated at 508,000 ounces of gold contained in 8.9 million tonnes at a grade of 1.77 gpt gold, with additional Indicated Mineral Resources estimated at 1,091,400 ounces of gold contained in 20.9 million tonnes at a grade of 1.41 gpt gold. Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

The current reserve and resource model for Aurizona outlines a 6.5-year mine life. The Company believes the mine life can be extended with exploration success. The current mineral reserves are contained within the Piaba and Boa Esperança deposits, both of which remain open along strike and to depth. The Piaba West target is an approximately 900-metre long westerly extension of the Piaba pit. The Tatajuba target is situated on the same structure as the Piaba deposit and represents a potential additional four-km extension along the Piaba Trend. The Company plans to drill up to 30,000 metres of near-mine targets in 2017 with the objective of expanding the Aurizona resource and reserve base and extending the mine life.

In addition to the near-mine targets, surface mapping and sampling and limited drilling have identified a number of promising drill targets and more than 50 km of cumulative strike of structures with anomalous to high-grade soil and rock geochemistry, which provide exploration opportunities longer term.

The broader Aurizona land package is being explored in a joint venture with AGA. As per the joint venture agreement, AGA can earn a 70% interest in the 191,400-hectare "JV Greenfields" land package by spending \$14.0 million on exploration expenditures over a four-year period, with a minimum \$2.0 million commitment in the first year. AGA commenced exploration in August 2016. A regional airborne magnetic survey (38,000 km total) was completed in March over the entire land package, including Trek Mining's brownfields properties and the Aurizona mine, and processing of the data is currently underway. In parallel, work programs have focused on environmental permitting for the drilling program, geologic mapping of drill targets and regional soil geochemistry. In the last week of March a diamond drill rig was mobilized with plans to complete 18,000 metres of drilling in 2017. Trek Mining will receive all data from AGA's exploration activities, which will focus drilling for Trek Mining's near-mine and brownfields exploration programs.

The JV Greenfields are also subject to a 2% net smelter returns royalty ("NSR") to Sandstorm, subject to the Company's right to reduce the NSR to 1% for \$10.0 million prior to commercial production. The Aurizona mine license and brownfields properties are subject to a gold price dependent sliding scale 3%-5% NSR to Sandstorm.

Koricancha, Peru

The Company holds a 75% interest in Koricancha and is entitled to an 8% cost of goods sold royalty. Costs of goods sold includes all direct and indirect costs associated with operation of the mill. The remaining 25% interest in Koricancha is held by the Company's joint venture partner, EMC Green Group, S.A. ("EMC"), a private Peruvian company. Koricancha processes gold bearing material purchased from small scale and artisanal miners in Peru at a discount to the prevailing market price. The gold and silver produced is then sold at spot prices for Koricancha's account. Subsequent to the

acquisition of Koricancha in October 2016, the Company resumed ramping-up operations and intends to gradually increase throughput over the coming quarters towards its installed capacity of 350 tonnes per day.

The Company has a precious metals sales agreement to sell a portion of refined gold produced by Koricancha (the "Gold Sales Agreement"). In exchange for delivering 3.5% of gold ounces that are milled and processed by Koricancha, the Company received an upfront deposit totaling \$5.0 million (the "Upfront Deposit"). In addition to the Upfront Deposit, the Company receives a payment equal to \$100 per ounce of gold delivered pursuant to the Gold Sales Agreement. Once the gold ounces delivered pursuant to the agreement multiplied by the difference between the market price and \$100 per ounce ("gold sales cash flow") exceeds \$6.0 million, the percentage of gold ounces delivered will be reduced from 3.5% to 2.1%.

Warintza Property, Ecuador

The Warintza Project is located in southeastern Ecuador, in the province of Morona Santiago, 40 kilometres north of the Mirador copper-gold development project. Warintza is a 100%-owned copper-molybdenum porphyry deposit consisting of eight metallic mineral concessions (the "Warintza Concessions") that cover a total of 26,777 hectares. 10,000 hectares of the Warintza Concessions are subject to a 2% NSR held by Billiton Ecuador B.V.

Over the past several months the government of Ecuador has been increasing efforts to encourage sustainable and responsible mining in the country. The Company has been involved in a number of discussions with various stakeholders to allow for further exploration and development of the project.

Ricardo Property, Chile

The Company holds a 100% interest in the Ricardo Property, an exploration-stage porphyry copper prospect located in the Chuquicamata mining district of Northern Chile. The project is located along the West Fissure Fault, a crustal structure that extends for 5,000 km from Chile through Peru and hosts numerous world-class porphyry deposits including Chuquicamata, Escondida and Zaldívar. Collectively, the district hosts more than 130 million tons of copper in current resources and past production. The Ricardo claim block consists of approximately 16,000 hectares and is 25-35 km south of Chuquicamata, which has produced more than 50 billion lbs of copper and has been in production since 1915. Geological evidence suggests that missing segments of Chuquicamata may have been displaced southward along the West Fissure Fault into the southern portion of the Ricardo Property.

The near vertical 1600-metre HR-2 hole drilled in 2015 intersected a series of rock types similar to wall rocks on the west end of the Chuquicamata orebody and intersected strong quartz sericite alteration. The hole also intersected at a depth of about 600 metres a zone of weakly anomalous Zn in the range of 100 ppm Zn.

Elk Gold Property, Canada

The Elk Gold project, located near Merritt, BC, is within the Similkameen Mining District and consists of 27 contiguous mineral claims and one mining lease covering 16,566 hectares.

Approximately 51,500 ounces of gold were produced from the Elk Gold Project between 1992 and 1995 from a test pit and underground mining exploration. In 2014, a total of 6,597 tonnes of mineralized material with an average grade of 16.7 gpt gold was extracted from a bulk sample pit, for total production of 3,696 troy ounces of gold. The existing bulk sample permit allows for the extraction of 11,000 tonnes of mineralized material. Thus far 6,710 tonnes have been removed, leaving a permitted allowance of 4,290 tonnes of mineralized material.

In August 2016, an updated resource estimate was completed for the project. The Company believes that Elk Gold has remaining production and exploration potential and is considering its options to surface value from this project.

Selected quarterly information

The following tables set out selected unaudited consolidated quarterly results for the last eight quarters through March 31, 2017:

<i>\$ in millions, except per share amounts</i>	March 31, 2017	December 31, 2016⁽¹⁾	September 30, 2016	June 30, 2016
Revenue	\$ 2.6	\$ 1.1	\$ -	\$ -
Cost of sales	3.0	2.3	-	-
Gross margin (loss)	(0.4)	(1.2)	-	-
Exploration expenses	0.4	0.2	0.2	0.2
Corporate administration	1.0	0.7	0.2	0.1
Loss from operations	(1.9)	(2.1)	(0.4)	(0.3)
Other income (expenses)	4.4	1.9	(0.3)	(0.6)
Net income (loss)	2.6	(0.2)	(0.7)	(0.9)
Other comprehensive income (loss)	0.4	0.3	(0.1)	(0.0)
Comprehensive income (loss)	3.0	0.1	(0.8)	(0.9)
Net income (loss) per share attributable to Trek Mining Inc. shareholders	\$ 0.04	\$ 0.01	\$ (0.05)	\$ (0.05)

<i>\$ in millions, except per share amounts</i>	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Exploration expenses	\$ 0.4	\$ 0.4	\$ 1.6	\$ 1.6
Corporate administration	0.2	0.3	0.2	0.3
Loss from operations	(0.6)	(0.5)	(1.9)	(1.9)
Other income (expenses)	(0.3)	0.1	(0.1)	0.0
Net loss	(0.9)	(0.4)	(2.0)	(1.9)
Other comprehensive income (loss)	0.3	(0.3)	(0.6)	0.2
Comprehensive loss	(0.6)	(0.7)	(2.6)	(1.7)
Net loss per share attributable to Trek Mining Inc. shareholders	\$ (0.08)	\$ (0.07)	\$ (0.23)	\$ (0.15)

(1) There are no comparative results for revenue, cost of sales and gross margin (loss) prior to Q4 2016 as Koricancha was acquired in Q4 2016.

Revenue for Q1 2017 was \$2.6 million, compared to \$1.1 million for Q4 2016, a result of an increase in gold ounces sold: Gold sales increased in Q1 2017 to 2,230 ounces from 953 ounces in Q4 2016.

As a gold milling operation, Koricancha purchases from third parties all mill feed that it processes. During the three months ended March 31, 2017, it purchased 3,502 tonnes, compared to 2,477 tonnes purchased in the preceding three months. Ore sourcing during the three months ended March 31, 2017 was negatively impacted by higher than normal rainfall in Peru affecting the ability of its vendors to mine and transport material. The focus for the remainder of 2017 is to increase purchases of mineralized feed which will allow for increased throughput in the plant and greater gold production and sales. Trek Mining expects that increasing throughput to the 350 tonnes per day capacity will take several quarters.

Cost of Sales for Q1 2017 and Q4 2016 reflect costs related to the purchase of mineralized mill feed, processing costs and general and administration expenses at Koricancha incurred in the production of gold and silver. The majority of these costs are comprised of mineralized mill feed purchase costs and consumption materials such as fuel, reagents and spares. Plant and administrative payroll and contracts for various services on site make up the remaining balance.

Cost of sales also includes amortization associated with the Koricancha plant. Cost of sales before inventory adjustments can vary on a quarter by quarter basis, subject to throughput, changes in input costs and foreign currency fluctuations. Cost of Sales for Q4 2016 are those incurred subsequent to the acquisition of Koricancha in October 2016. Cost of Sales for the three months ended December 31,

2016 includes costs incurred during the ramp-up of operations at Koricancha prior to commencing gold sales in December 2016.

The increase in corporate administration for Q1 2016 primarily reflects certain one-time fees related to the Luna Transaction and an increase in general and administration expense due to the increased size and complexity of the Company.

During Q1 2017, the Company recorded a gain on change in fair value of derivative liabilities that is recorded in other income. The Company's warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, the Company's share purchase warrants are classified and accounted for as a derivative liability at fair value through profit or loss. The fair value of the warrants is determined using the Black Scholes option pricing model at the period-end date or the market price on the TSX-V for warrants that are trading. The gain for the quarter results primarily from a decrease in the Company's share price at March 31, 2017 for those warrants that were issued and outstanding as December 31, 2016.

Other comprehensive income in Q1 2017 is related to an increase in the fair value of available-for-sale investments as at March 31, 2017 as compared to December 31, 2016.

Liquidity and capital resources

Working Capital

At March 31, 2017 Trek Mining had \$80.1 million in cash and cash equivalents and \$5.6 million in available-for-sale investments, an increase from \$40.6 million and \$0.8 million, respectively, as at December 31, 2016. These balances include \$1.7 million of cash and cash equivalents and \$4.0 million of available-for-sale investments acquired from Luna Gold as part of the Luna Transaction.

Working capital was \$88.1 million, up from \$44.6 million as at December 31, 2016. The primary reason for the increase in cash and working capital was the completion of the non-brokered and brokered private placements in conjunction with the Luna Transaction.

Accounts receivable are primarily composed of value-added taxes recoverable from the Peruvian government for Koricancha and, as at March 31, 2017, totalled \$5.7 million, up from \$3.4 million at December 31, 2016.

Inventory at March 31, 2017 totalled \$1.8 million, up from \$1.2 million at December 31, 2016. Inventory at March 31, 2017 and at December 31, 2016 comprises supplies and work-in-process at Koricancha. Work-in-process is the most significant component of inventory at December 31, 2016 and includes crushed mill feed, material in the plant and material in the final process of conversion to gold doré. Work-in-process as at March 31, 2017 totalled \$1.4 million (December 31, 2016 - \$1.2 million).

The Company has sufficient cash and working capital to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the Company will require additional capital beyond the next 12 months to fund construction of new and expanded infrastructure at Aurizona and other activities to achieve a planned mine restart at Aurizona in late 2018. The Company's ability to continue as a going concern in the longer term is dependent on successful execution of its business plan, obtaining new debt or equity financing for construction and ultimately generating net income and positive cash flow from mining and milling operations.

Cash Flow

Operating cash outflows for Q1 2017 were \$2.9 million, compared with outflows of \$0.6 million for the same period in 2016. The increase in cash outflows is primarily due to an overall decrease in non-cash working capital, including a reduction in payables and an increase in receivables.

Cash flow provided by investing activities for the three months ended March 31, 2017 was \$1.5 million (three months ended March 31, 2016 – outflow of \$nil) and results from the acquisition of cash of \$1.7 million, net of advances, held by Luna Gold at the time of completion of the Luna Transaction.

Cash flows provided by financing activities in Q1 2017 totalled \$40.6 million, compared to \$1.8 million provided in Q1 2016. Financing activities during Q1 2017 included the brokered and non-brokered private placements that were completed in conjunction with the Luna Transaction that raised a

combined \$61.4 million, net of financing fees. Offsetting the funds raised from the private placements was the cash settlement of \$20.8 million of debt acquired as part of the Luna Transaction. In addition, \$0.3 million of warrants were exercised in Q1 2017.

Share Capital Transactions

See the section, "Acquisition of Luna Gold Corp." on page 3 of this MD&A for a description of share capital issued in conjunction with the Luna Transaction.

The fair value of the warrants issued in conjunction with the Luna Transaction was calculated using the market price on the TSX-V. Of the total proceeds of \$62.6 million, \$14.1 was allocated to the warrants and \$48.5 was allocated to common shares.

Commitments and contingencies

At March 31, 2017, the Company had the following contractual obligations outstanding:

	Total	Within 1 year	1-2 years	2-3 years	3-4 years	Thereafter
Debt obligations	\$ 30.0	\$ -	\$ 10.0	\$ 10.0	\$ 10.0	\$ -
Interest on debt	6.4	-	4.8	1.1	0.5	-
Accounts payable and accrued liabilities	4.5	4.5	-	-	-	-
Lease commitments	0.7	0.3	0.3	0.1	-	-

The Company is a defendant in various lawsuits and legal actions, principally for alleged fines, taxes and labour related matters in Brazil. Management regularly reviews these lawsuits and legal actions with outside counsel to assess the likelihood that the Company will ultimately incur a material cash outflow to settle the claim. To the extent management believes it is probable that a material cash outflow will be incurred to settle the claim, a provision for the estimated settlement amount is recorded. As of March 31, 2017, the Company recorded a legal provision for these items totaling \$1.4 million.

Outstanding share data

As at the date of this report, the Company had 177,732,772 common shares, 3,423,510 common shares issuable under stock options, 113,999,894 common shares issuable under share purchase warrants and 3,154,775 common shares issuable under restricted share units. The fully diluted outstanding share count is 298,310,951.

Related party transactions

Pacific Road and Sandstorm are shareholders and related parties of the Company. The long-term debt that was held by Pacific Road and Sandstorm and settled in conjunction with the Luna Transaction, as described on page 3 of this MD&A, were related party transactions.

Financial instruments, risks and uncertainties

Descriptions of financial instruments and types of risks and uncertainties that the Company is exposed to and its objectives and policies for managing such risks are included in the Company's Joint Management Information Circular dated February 22, 2017 and 2016 Annual Management Discussion and Analysis dated April 26, 2017, which are available on SEDAR at www.sedar.com.

Critical accounting policies and estimates

The Company's unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The significant accounting policies applied and recent accounting pronouncements are described in Note 3 and Note 4 to the Company's 2016 annual audited consolidated financial statements, respectively.

In preparing the unaudited condensed consolidated interim financial statements in accordance with the IAS 34, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates involve considerable judgment and are,

or could be, affected by significant factors that are out of the Company's control. Actual results could differ from those estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. Revisions to estimates and the resulting effects on the carrying values of the Company's assets and liabilities are accounted for prospectively. For a description of the critical judgements in application of accounting policies and information about assumptions and estimation uncertainties, refer to the Company's MD&A for the year ended December 31, 2016, which is available on SEDAR at www.sedar.com. Additional critical judgments applied in the preparation of the condensed consolidated interim financial statements include determining that the acquisition of Luna Gold is a business combination, Trek Mining is the acquirer for accounting purposes, and determining the preliminary fair values of the assets and liabilities acquired as part of the Luna Transaction.

Limitations of controls and procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Recent accounting pronouncements

There were no changes in accounting policies during the three months ended March 31, 2017. Several new and revised standards have been issued but are not yet effective. Please refer to note 3 of the 2016 annual audited consolidated financial statements for details.

Forward looking statements

This MD&A includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "forward-looking statements", unless otherwise stated). These statements appear in a number of places in this MD&A and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company's future outlook and anticipated events, such as timing of issuance and results of the Piaba feasibility, timing of announcement of the completion of project finance, Koricancha production and operations, receipt and completeness of Aurizona permits, extension of Piaba ore body, exploration results, of and results and may include statements regarding the Company's assets and the Company's future financial position, business strategy, budgets, litigation, projected costs, financial results, exploration results taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and

business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement.

Other technical information

David Laing, BSc, MIMMM, Trek's COO, Scott Heffernan, MSc, P.Geo. Trek Mining's EVP Exploration, and J. David Lowell, a Director of Trek Mining, are the Qualified Persons under National Instrument 43-101 for Trek Mining and have reviewed, approved and verified the technical content of this document.