MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information, prepared as of April 26, 2018, should be read in conjunction with the consolidated financial statements of Cautivo Mining Inc.'s (the "**Company**" or "**Cautivo**") for the year ended December 31, 2017. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). References herein to "$" are to the United States dollar and "C$" are to the Canadian dollar. Additional information relating to the Company is available on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A which are not historical in nature may constitute "forward-looking statements" within the meaning of that phrase under applicable securities law. When used in this MD&A, such statements generally use words such as "may", "will", "expect", "believe", "plan", "intend", "should", "anticipate", "budget", "scheduled", "estimates", "forecasts" and other similar terminology. These statements reflect management's current assumptions and expectations regarding future events and operating performance as of the date of this MD&A and by their nature are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Accordingly, readers should not place undue reliance on forward-looking statements. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed in this MD&A under the heading "*Risk Factors*".

Forward-looking information in this MD&A may include, but is not limited to:

- information with respect to the Company's future financial and operating performance and that of its subsidiaries, including its statement that the Company's primary objective is to complete exploration with respect to the Las Lomas Project (as defined herein) with a view to developing such project;
- statements relating to changes or proposed changes in Peruvian mining regulations;
- costs and timing of exploration and, if warranted, development activities to improve its understanding of the economic mineral potential of the Las Lomas Project;
- the potential acquisition of surface rights and additional mining interests and the commencement of further exploration programs in Peru;
- timing and receipt of approvals, consents and permits under applicable legislation;
- the Company's assessment of potential environmental liabilities and its plans to minimize environmental impacts;
- results of future exploration and drilling;
- quality and marketability of mineral products;
- metals prices;
- adequacy of financial resources

Forward-looking information is based on assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at

the date that such statements are made. The Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable. Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, the timely receipt of required approvals and acquisitions of applicable surface rights, the price of metals, the Company's ability to operate in a safe, efficient and effective manner and its ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used and that these factors and assumptions may be incomplete or incorrect.

Forward-looking statements are also subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information. Those risks include:

- foreign country risk;
- crime and business corruption risk;
- security risks;
- liquidity concerns and future financing requirements;
- negative cash flows from operations;
- requirement for substantial capital expenditures;
- infrastructure risks;
- risks related to future acquisitions and/or the acquisitions of applicable surface rights;
- risks related to exploration and mineral development;
- operating hazards and risks;
- mineral price fluctuations;
- foreign exchange rate fluctuations;
- price volatility of publicly traded securities;
- competition;
- title matters;
- environmental risks and other regulatory requirements;
- no known mineral resources or reserves;
- industry regulation;
- uninsured or uninsurable risks;
- insurance risks;
- conflicts of interest;
- dependence on, and protection of, key personnel;
- risks related to the business cycle;
- liquidity risks;
- adverse general economic conditions;
- shortages of critical parts, equipment and skilled labour;
- risk of community action;
- claims and legal proceedings;
- difficulty in enforcement of legal rights;
- financial reporting standards;
- internal controls;
- risk that an active or liquid market will not exist for the Company's securities;
- volatility in the price of the Company's securities;
- risk of shareholder dilution;
- risks concerning the Company's principal securityholders; and
- tax risks.

See "*Risk Factors*".

Except as required by applicable securities laws, the Company does not intend to update or revise forward-looking statements made in this MD&A to reflect events or changes in circumstances that occur after the date of this MD&A. Forward-looking statements should not be construed as investment advice. Readers should perform a detailed, independent investigation and analysis of the Company before making any investment decision and are encouraged to seek independent professional advice.

BUSINESS OF THE COMPANY AND SUMMARY OF ACTIVITIES

Cautivo was incorporated under the Business Corporations Act (Ontario) on December 6, 2016, and is domiciled in Canada. Cautivo's head office is located at Av Primavera 1796, Office 702, Santiago de Surco, Lima, Peru. Cautivo's mailing address is 880 – 580 Hornby Street, Vancouver, BC, V6C 3B6, Canada.

The Company is an exploration company focused on acquiring, exploring and, if warranted, developing gold, silver, copper, zinc and lead mineral properties. Following the Reorganization (see below), the Las Lomas Project comprises the main asset of the Company. The Las Lomas Project consists of 52 existing or pending mining concessions totalling 37,271 ha, located in the Department of Piura in northern Peru, near the Ecuadorian border.

The Company's objective is to develop into a producing junior mining company through further exploration in the Company's prospective areas of interest in Peru and, if warranted, the successful development and operation of the Las Lomas Project. Towards this end, the Company intends to undertake an exploration program to improve its understanding of the economic mineral potential of the Las Lomas Project. Such exploration activities may require additional capital and there is no assurance that the Company will be able to raise such funds. See "Risk Factors".

On July 10, 2017, the Company filed a Final Prospectus outlining details of the transactions described below. Further details are contained in the joint press releases of Cautivo and Sierra Metals Inc. ("Sierra"), Cautivo's former parent company, dated July 12, 2017, July 27, 2017 and August 8, 2017, copies of which are available under the Company's profile on SEDAR at www.sedar.com and the Company's website at www.cautivo-mining.com.

Effective August 8, 2017, the Cautivo common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbols "CAI".

REORGANIZATION

On July 27, 2017, Sierra Metals Inc. ("Sierra") completed the transfer to Cautivo of: (i) all of the outstanding shares of Plexmar Resources Inc. ("Plexmar"); and (ii) the advances made by Sierra to Plexmar in the aggregate amount of $5,464,325, in exchange for 3,252,588 Cautivo common shares (the "Reorganization"). As a result of the Reorganization, the Las Lomas Project now comprises the main asset of Cautivo.

COMPLETION OF DISTRIBUTION AND ISSUANCE OF RIGHTS

On August 8, 2017, Sierra completed a distribution of 3,253,588 Cautivo common shares as a return of capital reducing Sierra's shareholdings in Cautivo from 100% to nil. The Cautivo common shares were distributed pursuant to a spin-off by Sierra and Sierra did not receive any proceeds from the distribution. Immediately following the distribution, Cautivo issued 11,904,641 rights (the "Rights") pursuant to a rights offering, whereby holders of Cautivo common shares received 3.6589638 Rights for every Cautivo common share held.

On August 31, 2017, the Company completed the Rights Offering by issuing 11,904,641 Cautivo common shares at C$0.84 per share for gross proceeds of C$9,999,898 ($7,961,383). In connection with the Rights Offering, the Company incurred $67,544 in other share issuance costs including legal, managing dealer and filing fees.

CORPORATE GOVERNANCE

On July 10, 2017, the Company and Arias Resource Capital Fund L.P. ("ARC I" and together with ARC II and ARC Mexico, the "ARC Funds"), ARC II and ARC Mexico entered into an investor nomination rights and governance agreement. The ARC Funds may, pursuant to the nomination rights and governance agreement, require the Company to include three nominees of the ARC Funds among the Cautivo board's nominees as directors of the Company to be nominated at the next directors election meeting. Under the nomination rights and governance agreement, the Company has also granted to each ARC Fund, on the terms set forth in such agreement, a continuing right to participate in any subsequent equity financing of the Company in order for it to maintain its proportionate equity interest in the Company as at immediately prior to the closing of such

equity financing. A copy of the investor nomination rights and governance agreement is available under the Company's profile on SEDAR at www.sedar.com.

The current members of the Board of Directors are J. Alberto Arias, Douglas Cater and Daniel Tellechea.

EXPLORATION AND EVALUATION ASSETS

Las Lomas Project

The Las Lomas Project consists of 52 existing or pending mining concessions totaling 37,271 ha, located in the Department of Piura in northern Peru, near the Ecuadorian border. Under Article 71 of the Peruvian Constitution, foreign individuals (including Peruvian-domiciled companies owned ultimately by overseas investors) must obtain permission from the President of the Republic and the Board of Ministers, in the form of a Supreme Decree, in order to hold any type of concession over property located within 50 kilometers of Peru's national borders (the "**Border Zone**"). All of the concessions comprising the Las Lomas Project are within the Border Zone.

Plexmar, through its Peruvian subsidiary, Sociedad Minera San Miguelito S.A.C. ("**San Miguelito**"), has a 100% indirect interest in respect of 25 concessions of the Las Lomas Project, subject to a 2% net smelter return royalty on one such concession. As a Company ultimately controlled by foreign individuals, San Miguelito is prohibited under Peruvian law from holding (directly or indirectly) any type of concession in the Border Zone until the required Supreme Decree has been obtained. Accordingly, certain other concessions forming part of the Las Lomas Project are held by Minera Ate S.A.C. ("**Minera Ate**"), which has, in turn, granted San Miguelito the right to acquire such properties in the future as further described below. Minera Ate is a Peruvian Company owned by two Peruvian nationals.

Minera Ate has direct mining rights in respect of 24 existing or pending concessions of the Las Lomas Project. Pursuant to an option agreement between San Miguelito and Minera Ate, San Miguelito has the right, upon the receipt of the required Supreme Decree, to acquire 15 of the existing or pending concessions currently held by Minera Ate in exchange for the payment of $0.8 million. This amount would be satisfied entirely through a reduction of advances that have been made by San Miguelito in respect of these concessions. Accordingly, no cash consideration would be paid to Minera Ate in connection with the acquisition. Application has been made to receive the Supreme Decree for these concessions but such approval has not yet been received. In regards to the remaining 9 pending concessions, San Miguelito expects to enter into a similar option agreement with Minera Ate, but has not done so at this time.

Minera Ate has the right to acquire a 100% interest in the Hans X, Hans XX and Hans XXX concessions (collectively, the "**Hans Concessions**") forming part of the Las Lomas Project, subject to a net smelter return royalty of 1.7%, up to a maximum of $500,000 per Hans Concession (the "**Hans Royalty**"), pursuant to an option agreement between Minera Ate and the titleholder of the Hans Concessions, Minera Leona de Oro S.A.C. (the "**Hans Option Agreement**"), which agreement has been assigned to San Miguelito under an agreement between San Miguelito and Minera Ate (subject to the receipt of the required Supreme Decree and subject to the Hans Royalty) in exchange for: (i) San Miguelito assuming all of Minera Ate's obligations under the Hans Option Agreement; and (ii) the payment by San Miguelito to Minera Ate of the sum of $106,000 upon the receipt of the required Supreme Decree. This amount would be satisfied entirely through a reduction of advances that have been made by San Miguelito in respect of these concessions. Accordingly, no cash consideration would be paid to Minera Ate in connection with the acquisition.

Minera Ate was formed in March 2004. San Miguelito has been making advances to Minera Ate to fund the activities of Minera Ate in respect of the existing or pending concessions currently and previously held by Minera Ate, as well as the Hans Concessions since June 2006, and it is expected that San Miguelito will continue to make such advances to Minera Ate from time to time.

On March 23, 2018, Minera Ate entered into a letter of intent (the "LOI") with a third party to acquire 4 additional mining concessions near the Las Lomas Project. As agreed to in the LOI, the acquisition of these concessions will be subject to the completion of certain conditions, as well as customary due diligence. In addition, Minera Ate and San Miguelito are expecting to enter into an option agreement, whereby if Minera Ate agrees to acquire the 4 concessions, San Miguelito will lend Minera Ate the transaction amounts in order for Minera Ate

to complete the acquisition. San Miguelito would then, upon the receipt of the required Supreme Decree, acquire the 4 concessions contemplated in the LOI. This amount to be paid would be satisfied entirely through a reduction of the advances made by San Miguelito to Minera Ate in respect of these 4 concessions.

San Miguelito is not contractually obligated to provide financing to Minera Ate. San Miguelito may elect to provide financing to Minera Ate through loans in order to maintain the good standing of certain concessions which are held by Minera Ate. The Las Lomas Project is located in a region recognized for its mineral potential, where artisanal exploitation of gold has been carried out for decades in the province of Ayabaca, including the Project concessions in Tomapampa, Pampa Larga, San Sebastian and Sapillica. The Tambo Grande Cu-Zn-Au-Ag volcanogenic massive sulfide (VMS) deposit is located 50 km southwest of the Las Lomas Project.

Surface Rights

The surface rights of the property are owned by Campesino Communities ("**Comunidades Campesinas**"). Plexmar, through its Peruvian subsidiary San Miguelito, is keeping continuous dialogue with the communities of the area and is in the process of obtaining the necessary agreements to access the property in order to carry out future exploration campaigns. Plexmar has not acquired surface rights in the property area.

The Campesino Communities are organizations of public interest, with legal entity status, formed by families that live in and control territories, linked by ancestral, social and cultural aspects expressed by the communal property of the land, communal work and mutual help.

The Company has several plans in place to further explore and evaluate the mineral concessions held. The Company's first priority will be to negotiate and execute agreements with the Campesino Communities of Pampa Larga, San Sebastian, Tomapampa and Sapillica.

Once surface rights have been obtained, further exploration to improve the Company's understanding of the economic mineral potential of the Las Lomas Project can be undertaken. This will include detailed geological mapping, geochemical sampling, execution of trenches and geophysical surveys. The exploration program will be designed to identify priority drill targets to test the down dip extension of the mineralization observed at surface, identifying soil alterations which may lead to potential oxide and sulphide deposits, as well as determining if the ore presents itself in veins or in disseminated form. This program is expected to consist of approximately 5,000 m of drilling. In order to undertake any drilling activities, the concession holder must obtain a land owner's authorization to drill and submit and obtain Environmental Impact Statements (DIA: Declaración de Impacto Ambiental) in connection with the application for the drilling permit. The DIA calls for the concession holder to indicate where it plans to drill and how it plans to remediate the land after drilling. There are no separate environmental permits required. All environmental aspects are submitted as part of an overall permitting package.

The results of the exploration program will determine the Company's next priority activities. These could include additional drilling, the preparation of a mineral resource estimate in accordance with NI 43-101 standards, the acquisition of additional properties and, if warranted, plans to undertake development of the Las Lomas Project.

Details of exploration and evaluation expenditures

The following table includes the additions to exploration and evaluation assets for the years ended December 31, 2017, 2016 and 2015:

	2017 $	2016 $	2015 $
Breakdown of additions to exploration and evaluation assets			
Concession fees	504,109	589,311	445,359
Option payments	200,000	100,000	-
Salaries, technical reports and other	349,226	67,738	79,078
Tax payable on transfer of concessions	75,892	-	-
Total additions during the period	**1,129,227**	**757,049**	**524,437**

During the years ended December 31, 2017, 2016 and 2015, the Company was primarily incurring expenditures to keep the Las Lomas Project in good standing. After completion of the Reorganization in July 2017, the Company increased its surface exploration program.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited consolidated financial information of the Company for the years ended December 31, 2017, 2016 and 2015:

	2017 $	2016 $	2015 $
Total revenues	-	-	-
(Loss) income	(644,320)	(128,822)	706,310
(Loss) income per share (basic and diluted)	(0.09)	(0.04)	0.22
Total assets	15,464,200	7,727,673	6,907,274
Total long-term liabilities	-	-	-
Dividends declared	-	-	-

The variability in (loss) income during the years is primarily due to the foreign exchange impact on translating assets and liabilities. The loss during the year ended December 31, 2017 increased as the Company became more active once the Reorganization was completed in July 2017.

DISCUSSION OF OPERATIONS

For the year ended December 31, 2017

During the year ended December 31, 2017 the Company incurred a loss of $644,320 (2016 – $128,822). The majority of the loss was as a result of incurring legal, accounting and other professional fees of $527,571. These fees were incurred in connection with the Reorganization and the return of capital. Professional and other fees ($67,544) relating to the Rights Offering to the existing shareholders of Sierra were recorded against share capital within equity.

Included in the loss/income for the years are foreign exchange gains and losses. These foreign exchange gains and losses were primarily the result of translating Plexmar's US$ liability due to Sierra into the functional currency of Plexmar (the Canadian dollar). Realized foreign exchange gains and losses were minimal.

For the three months ended December 31, 2017

During the three months ended December 31, 2017, the Company incurred a loss of $282,378 (2016 – $141,930). The loss occurred for the same reasons as described in the twelve month period as described above.

QUARTERLY SUMMARY FINANCIAL INFORMATION

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being December 31, 2017.

	December 31, 2017 $	**September 30, 2017 $**	**June 30, 2017 $**	**March 31, 2017 $**
Revenue	-	-	-	-
Loss for the period	(360,251)	(19,929)	(104,393)	(159,747)
Basic and diluted loss per share	(0.02)	(0.00)	(0.03)	(0.05)

	December 31, 2016 $	**September 30, 2016 $**	**June 30, 2016 $**	**March 31, 2016 $**
Revenue	-	-	-	-
(Loss) income for the period	(141,930)	56,996	295,882	(339,770)
Basic and diluted (loss) income per share	(0.04)	0.02	0.09	(0.10)

The Company's results fluctuate from a loss to an income position as result of foreign exchange gains/losses on translating Plexmar's translating Plexmar's US$ liability due to Sierra into the functional currency of Plexmar (the Canadian dollar). Realized foreign exchange gains and losses are minimal.

LIQUIDITY AND CAPITAL RESOURCES

On August 31, 2017, the Company completed a Rights Offering by issuing 11,904,641 Cautivo common shares at C$0.84 per share for gross proceeds of C$9,999,898 ($7,961,383). In connection with the Rights Offering, the Company incurred $67,544 in other share issuance costs including legal, managing dealer and filing fees.

Cautivo had cash of $6,444,845 as at December 31, 2017 and working capital of $6,135,205. The Company is well financed to conduct multiple years of exploration and development activities at the Las Lomas Project in Peru.

During the years ended December 31, 2017 and 2016, Cautivo and Plexmar were relying on their former parent Company, Sierra Metals Inc., to pay all exploration evaluation expenditures, professional fees and other expenses. After completing the Rights Offering in August 2017, the Company settled all liabilities due to Sierra.

OUTSTANDING SHARE DATA

a) Authorized Capital:

Unlimited common shares, without par value

b) Issued and outstanding:

15,158,229 common shares as at April 26, 2018

c) Outstanding options and warrants as at April 26, 2018:

Security	Number	Exercise Price (C$)	Expiry date
Stock Options	-		
Warrants	-		

OFF BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2017.

TRANSACTIONS BETWEEN RELATED PARTIES

Dia Bras Peru, S.A.C (Dia Bras Peru), a related company to Sierra, provided Plexmar with a credit facility (the "Plexmar Advances"), the proceeds of which were to be used to pay amounts due on mining concessions and fund ongoing working capital costs. The USD dollar credit facility was non-interest bearing and did not have a maturity date.

As at the date of the Reorganization (Note 2), Plexmar Advances due to Sierra amounted to $5,976,891. As part of the Reorganization, Sierra agreed to transfer $5,464,325 of the Plexmar Advances to Cautivo. On November 28, 2017, the remaining $512,566 of Plexmar Advances were repaid to Sierra in cash. The amount outstanding on the Plexmar Advances as at December 31, 2017 was $nil (2016 - $4,857,101).

Prior to completion of the Reorganization, Sierra provided funding to Cautivo to pay for all Cautivo operating expenses ("Cautivo Advances"). The Cautivo Advances payable to Sierra, its former parent company as at December 31, 2016 was C$214,445 ($159,718)). During the year ended December 31, 2017, the Cautivo Advances increased to C$758,011 ($608,844). On September 28, 2017, the Cautivo Advances were repaid to Sierra in cash. The amount was unsecured, non-interest bearing and due on demand.

Key management includes the Chief Executive Officer, the Chief Operating Officer and the directors of the Company. Compensation paid or payable to key management during the years ended December 31, 2017 and 2016 was as follows:

	2017 $	2016 $
Short-term benefits	184,834	-
	184,834	-

As at December 31, 2017, accounts payable and accrued liabilities included $32,055 of directors fees payable (2016 - $nil).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial risk
The Company is exposed to various types of risk due to the nature of the business activities it carries on, including those related to the use of financial instruments. The Company does not use financial derivatives.

Market risk
Market risk corresponds to the financial losses that the Company could incur because of unfavorable fluctuations in the value of financial instruments, following variations in the parameters underlying their evaluation, such as interest rates and exchange rates.

Foreign exchange risk
Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has limited exposure to foreign exchange risk other than with respect to its cash balances.

As at December 31, 2017, the Company had the following cash and cash equivalent balances held in US dollars, Canadian dollars and Peruvian soles:

US dollars	5,310
Canadian dollars	7,942,869
Peruvian soles	349,760

Interest rate risk
As at December 31, 2017, the Company had no exposure to interest rate risk.

Credit risk
Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and amounts receivable. Cash is maintained with high credit quality financial institutions. Consequently, management considers the risk of non-performance related to cash to be minimal.

Liquidity risk
Liquidity risk represents the possibility the Company may not be able to gather sufficient cash resources when required and under reasonable conditions to meet its financial obligations. The "Las Lomas Project" is in the exploration stage. At this time the Company has no operating revenue and does not anticipate earning any operating profits until it is able to place a project into production, or acquire a mining asset with operating cash flow. As at December 31, 2017, the Company had cash of $6,444,845 allowing it to conduct multiple years of exploration and development activities at the Las Lomas Project in Peru.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended December 31, 2017 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISK FACTORS

An investment in the securities of the Company involves significant risks. The Company is subject to a number of risks which could affect its business, prospects, financial condition, results of operations and cash flows, including risks relating to foreign country risk; crime and business corruption risk; security risks; liquidity concerns and future financing requirements; negative cash flows from operations; requirement for substantial capital expenditures; risks related to future acquisitions and/or the acquisitions of applicable surface rights; risks related to exploration and mineral development; operating hazards and risks; mineral price fluctuations; foreign exchange rate fluctuations; title matters; environmental risks and other regulatory requirements; lack of known mineral resources or reserves; risk of community actions; and the risk that an active or liquid market will not exist for the Company's securities. Investment in the Company's securities should be regarded as highly speculative and should be considered only by those investors able to sustain a total loss of their investment. In addition to the other information set forth elsewhere in this MD&A, a detailed description of the risk factors associated with the Company and its business is contained in the Company's Final Prospectus dated July 10, 2017 filed on SEDAR at www.sedar.com.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The following standards and amendments to existing standards have been published and are mandatory for annual periods beginning January 1, 2018, or later periods:

- IFRS 9, Financial Instruments - Recognition and Measurement

  The International Accounting Standards Board ("IASB") issued its completed version of IFRS 9 in July 2014. The completed standard provides revised guidance on the recognition and measurement of financial assets and liabilities. It also introduces a new expected credit loss model for calculating impairment for financial assets and liabilities. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard.

  This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The adoption of this standard is not expected to have a material measurement or disclosure impact on the Company's consolidated financial statements.

- IFRS 15, Revenue from Contracts with Customers

  IFRS 15 was issued in May 2014, and covers principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The adoption of this standard will have no impact on the Company's consolidated financial statements.

- IFRS 16, Leases

  In January 2016, the IASB issued this standard which is effective for periods beginning on or after January 1, 2019, which replaces the current guidance in IAS 17, Leases, and is to be applied either retrospectively or a modified retrospective approach. Early adoption is permitted, but only in conjunction with IFRS 15. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off-balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflective of future lease payments and a right-of-use asset for virtually all lease contracts. The Company has not yet determined the effect of adoption of IFRS 16 on its consolidated financial statements.