CANDELARIA MINING CORP.
(Formerly Branco Resources Ltd.)

Management's Discussion and Analysis

For the three months ended July 31, 2016
Prepared as of September 29, 2016

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GENERAL

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations for the three months ended July 31, 2016. The MD&A should be read in conjunction with the condensed interim consolidated financial statements and notes thereto ("Statements") of Candelaria Mining Corp. ("Company") for the three months ended July 31, 2016. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of September 29, 2016.

NATURE OF BUSINESS

The Company was incorporated under the Business Corporations Act of British Columbia on January 23, 2012. The Company is a Canadian based exploration company with a focus in Mexico. On March 22, 2016 the Company completed its Qualifying transaction ("QT") by acquiring an option to purchase 60% of the shares of Apolo from the Apolo shareholders. Minera Apolo, S.A. de C.V. ("Apolo") is Mexican based exploration and development company with assets in Durango, Zacatecas and San Luis Potosi. The Company is listed on the TSX Venture Exchange ("TSXV") under the Symbol "CXX".

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results, which are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

MANAGEMENT

Sokhie Puar, Ramon Perez, Javier Reyes, Javier Montano and Manuel Gomez are the directors of the Company. Sokhie Puar is President and Chairman, Ramon Perez is the CEO, Sam Wong is the CFO and Hector Gonzales is the VP of Exploration.

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

DISCUSSIONS OF OPERATIONS AND FINANCIAL CONDITION

Minera Apolo

On February 27, 2015, the Company entered into an agreement with the shareholders of Minera Apolo, S.A. de C.V. ("Apolo") to acquire 60% of Apolo's issued and outstanding common shares.

Apolo is a privately owned exploration company with certain mining concessions located in the State of Zacatecas, Mexico (the "Property"). Pursuant to the terms and conditions of the Agreement, the Company will earn the 60% interest by:

- Paying an aggregate of USD$250,000 to the shareholders of Apolo on the closing date and a further USD$250,000 to the shareholders of Apolo on or before 8 months from the closing date (paid);
- Issuing a total of 20,000,000 common shares of the Company in installments over an 18 month period beginning on the closing date;
- Funding exploration expenditures of a minimum of USD$3,500,000 by advancing funds to Apolo on or before 12 months from the closing date (the "Funding Commitment"); and
- Lending or arranging for a third party to lend to Apolo, a minimum of USD$1,000,000 on or before 12 months from the closing date (the "Loan").
- The Company shall not issue dividends until the financing and the loan are fully paid.

Subject to the terms and conditions set forth in Agreement, the Company will pay an additional USD$100,000 to the Apolo shareholders annually as long as all of the following conditions are satisfied:

- Apolo reaches a production of 250 tons per day on the Property;
- any portion of the Funding Commitment remains outstanding and payable;
- any portion of the Loan remains outstanding and payable;
- the price of gold is over USD$1,100 per ounce; and

- the price of silver is over USD$17 per ounce.

The Company will grant a 1.5% net smelter royalty ("NSR") on the Property to the shareholders of Apolo. The Company will have a right of first refusal on the NSR and on the remaining 40% Interest held by the Apolo shareholders.

The acquisition of Apolo was approved on March 22, 2016. As per the Agreement the Company has made the first payment of US$250,000 to the Apolo shareholders and has issued the first instalment of 6,000,000 common shares of the Company to the Apolo shareholders. In addition, the Company has arranged a US$1,000,000 loan in favour of Apolo through Credipresto, S.A.P.I. de C.V., SOFOM ENR.

As part of the transaction, the Company issued 7,408,000 shares to holders of Apolo convertible notes to settle outstanding debt in the amount of $370,400 and 1,200,000 shares with a fair value of $60,000 to Moises Salas Sanchez pursuant to a finder's fee agreement date May 15, 2014.

As at July 31, 2016, the Company made advances totalling $1,621,833 to Apolo for working capital. These amounts will form an intercompany advance upon completion of the acquisition.

Caballo Blanco Gold Project

On May 11, 2016, the Company signed an agreement to acquire the Caballo Blanco Gold Project ("Caballo") in Veracruz from Molimentales Del Noroeste, SA de CV ("Molimentales"), a subsidiary of Timmins Gold Corp ("Timmins"). Pursuant to the terms of the agreement, the Company will pay Molimentales a total of US$12,500,000 in cash and assume US$5,000,000 in liabilities in exchange for the project and all related rights and assets.

On July 21, 2016 the Company completed the acquisition of the Caballo. As of the date of this report, the Company has made payments of US$10,154,738 to Timmins and deferred a US$2,500,000 payment to be made at the earlier occurrence of the Company receiving permits or June 24, 2017, secured by a promissory note and security interest. The Company has also assumed US$5,000,000 in liabilities in exchange for the project and all related rights and assets.

The Company's expenditures include costs to maintain a public company in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties. Public company costs include professional fees for audit and legal, transfer agent fees, exchange listing and filing fees and costs of preparing, printing, filing and mailing quarterly reports, annual general meeting materials and other continuous disclosure documents to shareholders, as applicable.

Results of Operations

The Company's loss for the three months ended July 31, 2016 was $2,613,126, compared to a gain of $49,039 for 2015. Major variations are described below.

Share-based payments expenses included in loss are a non-cash accounting entry and include all share-based awards such as stock options granted to employees, non-employees, directors, officers, employees and consultants. The awards are measured and recognized using a fair value based method in accordance with the IFRS 2. The value of share-based payments this period totaled $2,368,091, compared to $nil during 2015 comparative period. These compensation expenses were calculated using the Black-Scholes fair value option pricing model.

Professional fees consist of legal and accounting fees. Professional fees amounted to $33,429 (2015 - $4,568), an increase of $28,861 in legal fees relating to Caballo acquisition.

Filing and listing fees consist of fees paid to government, transfer agent, TSX Venture exchange and other regulators. Transfer and regulatory fees amounted to $20,152 (2015 - $595), an increase of $19,557 in filing fees relating to the Caballo acquisition.

Property investigation expenses consist of expenses related to identify and complete a QT including consulting fee and travel expense. Property investigation expenses amounted to $44,492 (2015 – $25,700), an increase of $18,792 and relate to the acquisition of the Caballo project.

Project evaluation expenses consist of expenses related to geological study to evaluate and complete a QT. Project evaluation expenses amount to $40,056 (2015 - $26,953) an increase of $13,103 relate to the evaluation of the Caballo project.

Management fees consist of compensation for officers of the Company. Management fees amounted to $15,633 (2015 - $nil)

Finance expense consists of interest expense on convertible note. Finance expense amount to $8,125 (2015 - $nil)

Office and administration expenses are costs related to operating and administering the company offices and corporate finance activities. Office and administration expenses were $24,877 (2015 - $24,118).

Summary of Quarterly Results

Quarter Ended	Revenues $	Gain/(Loss) for the Period $	Loss Per Share $	Total Assets $	Total Long Term Liabilities $	Cash Dividend Declared $
July 31, 2016	Nil	(2,613,126)	(0.02)	21,080,210	Nil	Nil
April 30, 2016	Nil	(706,066)	0.04	3,502,596	Nil	Nil
January 31, 2016	Nil	4,952	0.00	2,284,704	Nil	Nil
October 31, 2015	Nil	(62,646)	(0.01)	2,285,431	Nil	Nil
July 31, 2015	Nil	49,039	0.01	2,349,765	Nil	Nil
April 30, 2015	Nil	(180,423)	(0.03)	2,330,693	Nil	Nil
January 31, 2015	Nil	(67,280)	(0.01)	389,241	Nil	Nil
October 31, 2014	Nil	(76,712)	(0.01)	251,275	Nil	Nil

Quarterly Statement of Operations

Statement of Operations	July 31, 2016 $	April 30, 2016 $	January 31, 2016 $	October 31, 2015 $
Share-based payments	2,368,091	116,370	Nil	Nil
General & administrative expenses	186,764	235,922	97,601	84,186
Foreign exchange loss/(gain)	58,271	353,774	(102,553)	(21,540)
Loss (Gain) for the period	2,613,126	706,066	(4,952)	62,646

Statement of Operations	July 31, 2015 $	April 30, 2015 $	January 31, 2015 $	October 31, 2014 $
Share-based payments	Nil	Nil	Nil	Nil
General & administrative expenses	81,934	108,190	82,440	82,877
Foreign exchange loss/(gain)	(130,973)	72,233	(15,160)	(6,615)
Loss (Gain) for the period	(49,039)	180,423	67,280	89,042

Over the past four quarters, the Company has worked primarily on closing of the acquisition of Apolo and Caballo. During the quarter ended July 31, 2016 the Company incurred general & administrative expenses totaling $186,764 compared to $81,934 in 2015. The increase was due to additional resources required to do the work to move towards closing the Caballo acquisition and obtain financing.

The level of the Company's operating expenses relates to the activities to support the due diligence, discovery and acquisition of the Company's potential project. These expenses can vary significantly between periods and consequently seasonal and observable trends may not be meaningful. Share-based payments vary from quarter to quarter due to the number of options granted and/or vested during the period.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2016 the Company had cash of $1,639,517 (April 30, 2016 – $1,584,136) and working capital deficiency of $1,659,840 (April 30, 2016 – $1,510,931).

During the three months ended July 31, 2016, the Company expended cash of $221,631 (2015 – $79,045) on operating activities. Cash used in operations consist of cash used to fund the loss for the period less the impact of non-cash items, and the cash used for working capital purposes.

On May 4, 2016, the Company closed a private placement of 16,200,000 common shares at a price of $0.05 per share for total proceeds of $810,000.

On June 7, 2016 pursuant to a private placement, a total of 78,099,000 common shares were sold at a price of $0.10 per share for gross proceeds of $7,809,900. In connection with the private placement, the Company paid cash for finder's fees of $269,563 and filing fees of $30,080.

On July 15, 2016 pursuant to a private placement, a total of 30,259,999 units were sold at a price of $0.15 per unit for gross proceeds of $4,539,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of $0.25 per share for a period of 18 months from the closing date. The Company issued 551,061 finder's warrants having the same terms as the warrants under the private placement. In connection with the private placement, the Company paid cash for filing fees of $12,405.

On June 7, 2016, pursuant to a private placement the Company raised $1,625,000 through the sale of a convertible note. The note will bear interest at 6% annually, paid monthly and will be convertible into common shares of the Company for a period of 18 months at $0.06 per share for the first 12 months, and $0.10 per share for the remainder of the term. The Company may prepay the convertible note at any time during the initial 12-month term by paying the holders all remaining interest to maturity in addition to the principal amount.

During the three months ended July 31, 2016, the Company made advances totaling $771,586 to Apolo for working capital.

During the three months ended July 31, 2016, the Company made payments of $13,216,954 (US$10,154,738) to Timmins to acquire the Caballo Blanco gold project, issued a promissory note for the amount of $3,250,000 (US$2,500,000) to Timmins and paid $278,073 to consultant in connection to the acquisition.

The Company's cash and cash equivalents increased by $55,381 (2015 – $30,013) during the period. The company will continue to expend funds on identifying and developing natural resource properties.

The Company's future financial success will be dependent upon the ability to obtain necessary financing to complete the development of reserves or the discovery and development of a body of commercial resource. Such discovery and development may take years, if at all, to complete and the amount of resulting income, if any, is impossible to determine.

The Company has not yet earned from any exploration and evaluation assets. If a property is determined to have limited exploration potential the property is abandoned and expenditures are written off to operations. The discovery, development and acquisition of mineral properties are in many instances unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company does not currently expect to receive any income within the foreseeable future. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Currently, the Company has no source of revenue, thus working capital is expected to decrease pending the development and marketing of its mineral properties. The Company has sufficient funds to cover anticipated administrative expenses throughout the year. It will continue to focus on identifying and developing prospective mineral property. Additional financing will be required subject to the closing of the Agreement with Apolo shareholders date February 27, 2015.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company is not yet party to any industry contracts or arrangements and does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

Overseas projects

The Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, restrictions on production, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in U.S. dollars, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.

Exploration and development risks

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

The Company does not have any operating mines at present. All the Company’s properties are in the exploration stage only, without a known body of commercial bodies of ore. There is no assurance that a commercially viable mineral deposit exists on any of the Company’s properties and substantial additional work will be required in order to determine the presence of any such deposit.

Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

There is no assurance that the Company’s mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company’s operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Financing risks

The Company has primarily relied on the sale of its equity capital to fund the acquisition, exploration and development of its properties. It has no assurance that additional funding will be available to it for exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to generate sufficient operating cash flow or obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to generate such additional operating cash flow or obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the risk of possible loss of such properties.

Metal prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Early Stage

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company currently has no source of revenue and expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. While it has been successful in obtaining financing in the past, there is no guarantee that the Company will be successful now, or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its mineral properties.

Repatriation of earnings

Regulations of foreign countries may provide that subject to payment of applicable taxes, foreign investors may remit out of those countries, in foreign exchange, profits or dividends derived from a source within those countries. Remittance by foreign investors of any other amounts (including for instance, proceeds of sale arising from a disposal by a foreign investor of any of his investment in those countries) out of those countries may be subject to the approval of the respective State administrations. No assurance can be given that such approval would be granted. Further, there can be no assurance that additional restrictions on the repatriation of earnings in those countries will not be imposed in the future.

Environmental regulations, permits and licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation may provide restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for noncompliance.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various Mexican authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility. The Company is exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the common shares could be adversely affected.

RELATED PARTY TRANSACTIONS

During the three months ended July 31, 2016 and 2015, the following payments were made or accrued to the executive directors and companies controlled by executive directors of the Company:

During the three months ended July 31, 2016, the Company paid Sunrise Communications Ltd., a management company who employs the accounting and administrative staff controlled by Clive

Brookes, a former director and CFO of the Company, $nil (2015 - $3,000) for accounting services. Clive Brookes resigned as a director on March 14, 2016. The Company paid SNJ Capital Ltd., a company controlled by Sokhie Puar, a director and CEO of the Company, $22,958 (2015 - $22,307) for office administration. The Company paid Joaquin Resources LLC, a company controlled by Ramon Perez, a director and CFO of the Company, 15,633 (2015 - $nil) for management fees.

During the three months ended July 31, 2016, the Company granted 9,900,000 stock options (2015 – $nil) to officers and directors of the Company with a fair value of $1,980,565 (2015 – $nil) and was included in share-based compensation expense.

The Company is committed to management services contracts totalling US$8,000 per month for a period of two years commencing March 17, 2016.

Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

FINANCIAL AND OTHER INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, currency, interest rate and price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Fair value

The classification of the Company's financial instruments requires that they are measured at amortized cost. Their carrying value approximates fair value due to the short-term maturity of these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal terms of trade.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flow will fluctuate as a result of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar. The Company does not hedge anticipated foreign currency changes. As at July 31, 2016, the Company held cash in US dollars of $920,087 (CDN$1,199,463) (April 30, 2016 - US$537,477 (CDN$674,512)). A 10% change in foreign exchange rates would impact net loss by approximately $187,000 (April 30, 2016 - $67,000).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

Fair Value

The fair value of the Company's financial instruments, financial statement classification and associated risks as at July 31, 2016 and 2015 are presented in the table below:

Financial instrument	**Financial statement classification**	**Associated risks**	**July 31, 2016 ($)**	**April 30, 2016 ($)**
Cash and cash equivalents	Carrying value	Credit and currency	1,639,517	1,584,136
GST receivable	Carrying value	Credit	7,383	6,723
Advances to Apolo	Carrying value	Credit	1,621,833	850,247
Accounts payable	Carrying value	Currency	(30,240)	(65,693)
Accrued liabilities	Carrying value	n/a	(28,125)	(20,000)
Promissory note	Carrying value	Currency	(3,259,100)	-
			(48,732)	**2,355,413**

IFRS 7, *Financial Instruments: Disclosure* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at July 31, 2016, the Company does not have any financial instruments that require valuation techniques to measure fair value.

The Company manages its exposure to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk in accordance with systems put in place to manage these risks, as monitored by the board of directors (the “Board”). The Board approves and monitors the risk management processes and there were no changes to the objectives or the process from the prior year. Please refer to the “Risks and uncertainties” section in this report for a full description of the types of risks that the Company is exposed to and its objectives and policies for managing those risk exposures.

CRITICAL ACCOUNTING POLICIES

A detailed summary of all the Company’s significant accounting policies is included in Note 3 to the audited financial statements for the year ended April 30, 2016.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is included in this MD&A.

CAPITAL MANAGEMENT

The Company’s primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flows from current operations, and is not subject to any externally imposed capital requirements.

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern. The Company defines its capital as shareholders’ equity. Capital requirements are driven by the Company’s general operations. To effectively manage the Company’s capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company’s approach to capital management during the year.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As of September 29, 2016, the following common shares and options were outstanding:

	Number of shares	Exercise price	Expiry date
Issued and Outstanding Common Shares at September 29, 2016	**243,954,415**		
Options Outstanding			
	444,000	$ 0.10	November 8, 2017
	3,050,000	$ 0.05	March 22, 2021
	250,000	$ 0.05	March 31, 2021
	3,400,000	$ 0.15	July 4, 2021
	10,150,000	$ 0.30	July 27, 2021
Total Options Outstanding	**17,294,000**		
Warrant Outstanding			
	8,666,666	$ 0.25	December 14, 2017
	7,014,394	$ 0.25	January 6, 2018
	10,000,000	$ 0.25	February 18, 2018
	2,333,333	$ 0.25	March 13, 2018
Total Warrant Outstanding	**28,014,393**		
Fully Diluted at September 29, 2016	**289,262,808**		

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

APPROVAL

On September 29, 2016, the Board of Directors of Candelaria Mining Corp. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information such as the complete financial statements, on the SEDAR website at www.sedar.com.