



INV METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

INTRODUCTION

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of INV Metals Inc. ("INV Metals" or the "Company") was prepared to enable the reader to assess material changes in the financial condition and results of operations of INV Metals as at and for the three and nine-month period ended September 30, 2018, in comparison to the corresponding three and nine-month period in the prior year. This MD&A is prepared as at November 13, 2018 and is intended to supplement and complement the interim condensed consolidated financial statements of INV Metals for the three and nine-month periods ended September 30, 2018 and 2017 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including *IAS 34 – Interim Financial Reporting*.

This MD&A should be read in conjunction with the financial statements and the Annual Information Form ("AIF") in respect of the 2017 fiscal year filed with the Canadian provincial securities regulatory authorities and available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. This MD&A contains certain forward looking statements based on management's current expectations (please see "Cautionary Note Regarding Forward Looking Statements"). All references to dollars herein are in Canadian dollars ("C\$") unless otherwise specified.

COMPANY DESCRIPTION AND HIGHLIGHTS

INV Metals is an international mineral resource company focused on the acquisition, exploration and development of precious and base metal projects, primarily in Ecuador. The Company is focused on the development and exploration of its 100% owned Loma Larga (formerly Quimsacocha) gold property, located in Ecuador ("Loma Larga," "Project" or "Property").

The Feasibility Study ("FS") on the Company's 100% owned Loma Larga gold project, located in Ecuador is on-going. Management estimates that the FS is proceeding on schedule for completion in Q4/2018. The preparation of the FS of Loma Larga is being completed by a consortium of consultants led by DRA Americas Inc. ("FS Consultants") working closely with management, building upon the Company's pre-feasibility study ("PFS") prepared in 2016.

The new FS will report updated mineral reserves and resources estimates, mine plans, and capital and operating costs, estimated revenues and economical evaluations. Areas of focus during the FS have included metallurgy, hydrology, site investigation studies for mine and process plant construction, tailings storage facilities, as well as environmental investigations required for the necessary permits to construct and operate the mine, and to construct roads and power lines. The FS Consultants are currently focused on the completion of capital and operating cost estimates of the various aspects of the operations, as well the write-up for the FS report.

On August 13, 2018, the Company announced additional high grade gold and silver values from its gold and silver discoveries, with up to 240 g/t gold and 2,479 g/t silver, at the Company's 100% owned Tierras Coloradas gold property ("Tierras Coloradas"), located in southern Ecuador. The results are considered by management to be exceptional with high grade gold and silver values detected on the three main gold and silver-bearing quartz veins discovered to date, as well as on numerous other high potential veins located throughout the property. The property's topography allowed the Company to identify and sample the veins in three dimensions, resulting in high grade gold and silver values in surface chip samples over significant vertical and horizontal distances and along significant strike lengths. Mapping and further sampling is ongoing and management plans to drill at Tierras Coloradas as soon as possible to test the three high priority targets discovered to date.

Significant reforms were passed in Ecuador on August 7, 2018 which included amendments to laws applicable to mining companies such as: elimination of the windfall tax, reduction to the range of mining royalties for medium and large-scale projects to 3-8% from 5-8% previously and reduction of capital gains taxation on share transactions to 8-10% from 22% previously. The reforms were noted in the Law for

COMPANY DESCRIPTION AND HIGHLIGHTS (continued)

Production Development, Investment Attraction, Employment Generation and Fiscal Stability (the "Production Law") issued in May 2018 and came into effect in August 2018.

On July 30, 2018, the Company announced the appointment of Mr. Darren King as Vice President of Exploration. Mr. King has over 30 years of extensive exploration experience within North, Central, and South America. Mr. King has a MSc. in Geology from South Dakota School of Mines and Technology and is a Registered Geologist with the Society for Mining, Metallurgy, & Exploration. Mr. King will act as the Company's Qualified Person for the purposes of National Instrument 43-101.

OUTLOOK

The Company's primary objective in 2018 is the completion of a positive FS on Loma Larga, which is expected to provide the basis to support the Board of Directors' (the "Board") evaluation to proceed with the development of Loma Larga and to commence permitting and project financing processes. The Company will continue to strengthen and grow the Company's management and development teams in support of this goal.

As a result of the new western discovery at Loma Larga (see press release dated September 18, 2017), management engaged Western Mining Services LLC to complete an extensive review of all the available geophysical, geochemical and geological data available from historical and recent exploration work at Loma Larga to generate and rank exploration drill targets both near the current deposit and on the broader concessions. The results of that study are currently being reviewed by management.

The Company continues to believe in the exploration potential of both Ecuador and its regional properties. The primary goal of the Company's 2018 regional exploration program in Ecuador is to identify and further define drill targets at Tierras Coloradas, and each of Company's other regional exploration properties and to obtain the relevant permits to commence drilling. Mapping and further sampling is ongoing and management plans to drill at Tierras Coloradas as soon as possible once relevant authorizations are received to test these high priority targets.

Recently, the Ecuadorian Minister of Energy and Non-Renewable Natural Resources approved a Ministerial Agreement which will now allow exploration drilling in the Initial Exploration Phase. The recent reforms by the Minister of Energy and Non-Renewable Natural Resources, which now allow for the performance of drilling during the Initial Exploration Phase of mining concessions, will allow the Company to fast track these drill targets. The Company is awaiting details of the nature of the environmental permits required for drilling under these reforms.

Further field work is currently being conducted on the other greenfield projects and will include additional detailed mapping, and soil and rock chip sampling. After the receipt of relevant permits, the Company will evaluate the use of geophysics with the aim of drill target identification.

MINERAL PROPERTIES

1) Loma Larga, Ecuador

The Project is located 30 kilometres ("km") southwest of the city of Cuenca and consists of approximately 7,960 hectares held in three contiguous concessions. The Loma Larga deposit is located within the Rio Falso concession. The Project is situated relatively close to existing infrastructure.

Feasibility Study

The FS Consultants continue to prepare the FS on Loma Larga, building upon the Company's PFS prepared in 2016. Areas of focus during the FS have included updated mineral resource and reserve

MINERAL PROPERTIES (continued)

1) Loma Larga, Ecuador (continued)

Feasibility Study (continued)

estimates, new mine plans, metallurgy, hydrology, site investigation studies for mine and process plant construction, tailings storage facilities, as well as environmental investigations required for the necessary permits to construct and operate the mine, and to construct roads and power lines.

2016 PFS Results

The results of the PFS support the development of an underground mine at Loma Larga with production of approximately 3,000 tonnes per day ("tpd") and average annual gold production of 150,000 ounces. The economics of the PFS suggest a high return gold project with low capital and operating costs. Based on an estimated initial capital cost of US\$286 million and sustaining and reclamation capital of US\$94 million, a pre-tax IRR of 35.7%, an after-tax IRR of 26.3% and, using a 5% discount rate, a net present value of US\$490 million pre-tax and US\$301 million after-tax is anticipated at a gold price of US\$1,250/ounce. The undiscounted pre-tax cash flow is estimated at US\$772 million over the mine life, and simple payback occurs in less than 3 years. On an after-tax basis, the undiscounted cash flow is estimated at US\$496 million over the mine life with simple payback occurring after 2.7 years.

The PFS estimates probable mineral reserves of 1.86 million ounces of gold, 10.5 million ounces of silver and 73.6 million pounds of copper resulting from the production of 11.6 million tonnes grading at 4.98 g/t Au, 28 g/t Ag and 0.29% Cu. The PFS also estimates the mineral resources to include 2.55 million ounces of gold grading at 4.42 g/t of indicated mineral resources, as well as 0.54 million ounces of gold grading at 2.29 g/t of inferred mineral resources. Indicated mineral resources are inclusive of probable mineral reserves.

Estimated Life of Mine ("LOM") production of 1.68 million ounces of gold, 9.83 million ounces of silver and 71.30 million pounds of copper occurs over the estimated initial mine life of 12 years using an average gold recovery of 90%, average silver recovery of 94% and average copper recovery of 97%.

The concentrate production is estimated to contain an average of 150,000 ounces of gold per year with an estimated LOM cash cost per ounce ("Cash Cost") of US\$510/ounce¹ and an estimated LOM all-in sustaining cash cost ("AISC") of US\$590/ounce¹ after by-product credits.

Full details of the PFS can be found in the technical report titled "Technical Report on the Loma Larga Project, Azuay Province, Ecuador" (the "Technical Report"), which is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.invmetals.com.

Expenditures at Loma Larga in the nine-month periods ended September 30, 2018 and 2017

The following table sets forth a breakdown of material components of expenditures incurred at Loma Larga in the nine-month period ended September 30, 2018 and 2017.

¹"Cash Cost" and "AISC" are non-IFRS Performance Measures (see "Non-IFRS Measures").

MINERAL PROPERTIES (continued)

1) Loma Larga, Ecuador (continued)

Expenditures at Loma Larga in the nine-month periods ended September 30, 2018 and 2017 (continued)

	2018	2017
Opening balance - January 1	\$ 55,936,133	\$ 48,687,558
Geological interpretation	649,408	764,359
Feasibility study	5,296,083	1,645,061
Drilling and related costs	-	2,917,880
Camp, environment and community relations	1,243,271	1,194,241
General and administration	652,030	612,804
Concession and related costs	366,366	393,747
Pre-feasibility study	-	6,437
Total expenditures - September 30	8,207,158	7,534,529
Exchange differences	1,398,051	(3,621,878)
Closing balance - September 30	\$ 65,541,342	\$ 52,600,209

In the nine-month period ended September 30, 2018, total expenditures at Loma Larga increased to \$8,207,158, compared to \$7,534,529 in 2017. The 2018 expenditures were higher than in 2017 due to increased project expenditures overall to support the ongoing FS at Loma Larga in 2018, which commenced in June 2017.

2) Exploration Properties, Ecuador

As at the date hereof, the Company holds a 100% interest in exploration concessions granted in 2017 throughout Ecuador, including the Las Peñas, Tierras Coloradas, La Rebuscada and the Carolina exploration projects (the "Exploration Properties").

The preliminary results of the Company's initial field programs on all four Exploration Properties, which have been limited to prospecting, mapping, and rock chip sampling, have identified quartz epithermal and porphyry style targets on the properties, with anomalous to high-grade gold values present in surface grab samples at both Tierras Coloradas and Las Peñas. See the press release dated February 26, 2018 for additional details of exploration programs.

On June 28, 2018, the Ecuadorian Minister of Energy and Non-Renewable Natural Resources approved a Ministerial Agreement which now allows for the performance of non-systematic drilling, up to a maximum of forty drill platforms, during the Initial Exploration Phase. Previously drilling was only permitted in the Advanced Exploration Phase. This reform will serve to allow the Company to test prospective gold targets earlier than anticipated within the current exploration phase of the Exploration Properties once appropriate authorizations are received. The Company continues to perform various activities including detailed mapping and soil and rock chip sampling, on its regional properties to define drill targets.

Management continues to believe in the prospectivity of the Company's regional Ecuadorian properties (Tierras Coloradas, Las Peñas, La Rebuscada, and Carolina). The Company is working toward obtaining relevant authorizations which will allow the identification and testing of drill targets on all of its regional properties.

MINERAL PROPERTIES (continued)

2) Exploration Properties, Ecuador (continued)

Tierras Coloradas

The results from the on-going surface mapping and chip sampling program at Tierras Coloradas are considered by management to be exceptional with high grade gold and silver values detected on the three main gold and silver-bearing quartz veins discovered to date, as well as on numerous other high potential veins located throughout the property. Due to the property's topography, the Company was able to identify and sample the veins in three dimensions, resulting in high grade gold and silver values in surface chip samples over significant vertical and horizontal distances and along significant strike lengths. Mapping and further sampling is ongoing and management plans to drill at Tierras Coloradas as soon as possible to test the three high priority targets discovered to date.

INV Metals has carried out a follow up sampling program to further test the successful results of its initial exploration program and has confirmed the presence of significant high grade gold and silver values within multiple quartz veins on the property. Detailed mapping and sampling of the veins during the Company's recent surface field campaign, have identified numerous gold and silver-bearing quartz veins with at least three of the veins containing high grade gold and silver surface rock chip sample values over significant strike, width and vertical distances. These are the Aparecida, Quemada and San Vicente veins. The Quemada and Aparecida veins have been sampled orthogonally across the vein at roughly 5 metre intervals for the majority of their strike length.

Table 1: Highlights – Tierras Coloradas Rock Chip Samples			
Sample	Gold (g/t)	Silver (g/t)	Vein
759771890	240.5	181.5	Aparecida
759771880	141.3	81.3	Aparecida
759771790	100.7	99.3	Aparecida
759711090*	83.9	63.8	Aparecida
759771900	63.0	85.8	Aparecida
759720120*	49.2	43.2	Aparecida
759711100*	37.0	82.2	Aparecida
759750580*	61.9	199.3	Quemada
759770960	36.4	2,479.0	Quemada
756720300*	30.9	177.0	Quemada

Overall range of values for the Aparecida and Quemada veins is <0.005 – 240.5 g/t gold and <0.2 – 2,479.0 g/t silver. Note: * Sample previously reported.

The Aparecida vein contains the majority of the high grade values detected to date and can be traced for approximately 1,350 metres along strike, outcropping over a vertical distance of 450 metres. Sampling to date has identified mineralization of greater than 2 g/t gold over the entire length of the vein and at least 370 metres of vertical exposure of the vein. The Aparecida vein is generally 0.5 to 6 metres in width but often contains several parallel gold-bearing segments. The vein contains white massive quartz with crustiform and banded textures that are cut by crystalline quartz veinlets in places. The majority of the vein contains multiple phases of quartz. The southern segment of the vein is strongly brecciated with the higher gold grades associated with this brecciation. Pyrite, chalcopyrite, and sphalerite have been observed within the lower exposures of the vein. A total of 321 samples have been collected on the Aparecida vein and range in value from <0.005 to 240.5 g/t gold.

MINERAL PROPERTIES (continued)

2) Exploration Properties, Ecuador (continued)

Tierras Coloradas (continued)

The Quemada vein can be traced for roughly 950 metres and outcrops over a vertical distance of 230 metres. This vein is generally 0.5 to 4 metres wide. Sampling has identified mineralization of greater than 2 g/t gold over the entire 230 metre vertical exposure of the vein with three samples containing greater than 30 g/t gold. The vein contains white massive to milky quartz, sometimes with crustiform textures and later cross-cutting crystalline quartz veinlets. Multiple phases of quartz have been observed and the vein is commonly brecciated. Higher gold and silver grades are related to areas with grey quartz. Pyrite, chalcopyrite, and sphalerite have been observed within the lower exposures of the vein. A total of 105 samples have been collected on the Quemada vein and range in value from <0.005 to 61.9 g/t gold.

Detailed mapping and sampling of the San Vicente vein and San Joaquin vein are still in progress, with recent surface sampling returning values up to 15.5 g/t gold in the relatively unworked San Vicente Vein. A total of 163 samples have been collected to date on the San Vicente vein and range in value from 0.005 to 15.5 g/t gold.

Aparecida Vein

Detailed sampling of the Aparecida vein to date has identified two areas of strong mineralization. The first area of strong mineralization within the Aparecida vein is in the southern segment of the vein located within the middle of the hill (between elevations of 1,800 – 1,760 m.a.s.l.). The 100 metre long segment of the vein contains 46 chip samples taken roughly every 2 to 4 metres. The average of the 46 samples is 2.89 g/t gold with a high of 13.1 g/t gold and 76.2 g/t silver. The range of values for the 46 samples is 0.030 – 13.1 g/t gold and 0.9 – 76.2 g/t silver.

The second area of strong mineralization is a 30 x 35 metre displacement zone in the vein that contains scattered outcrops of high grade vein material. The vein is displaced roughly 30 metres in a north-south direction. This occurs at an elevation of approximately 1,880 metres. A total of fourteen samples were taken within this area and have an average of 52.6 g/t gold and 56.5 g/t silver. The highest gold sample contains 240.5 g/t gold and the highest silver sample contains 181.5 g/t silver. The overall range of values in this 30 x 35 metre area is 0.190 – 240.5 g/t gold and 3.7 – 181.5 g/t silver.

When the veins are well exposed, rock chip sampling consists of taking a continuous chip sample perpendicular across the strike of the vein using a hammer and chisel. The width of the sample panel is generally 10 – 20 cm and the depth ranges from 5 – 10 cm. When only scattered outcrops of the vein are present, a rock chip sample is taken that collects small chips from outcropping material over an area of one to three metres. Samples are generally taken every 2 – 5 metres along strike when the exposure is good and every 5 – 20 metres when the exposure is poor.

Tierras Coloradas covers 6,955 hectares and is located in the province of Loja, near the border with Peru. Gold and silver-bearing quartz veins have developed in the andesitic volcanic sequences of the Paleocene Sacapalca Formation near the SE edge of the Cretaceous granodioritic Tangula batholith. Locally, these sequences consist of a lower andesitic lapilli tuff that is overlain by an andesitic crystal tuff. The upper and middle exposures of the veins are generally rich in Au-Ag while the lower exposures contain high Au-Ag-Cu-Zn-Pb. Boulders with possible sinter have been recognized to the west and suggest that the system is well preserved.

The Company acquired the Tierras Coloradas property in January 2017 and announced significant results from its initial exploration program in September 2017, and provided an exploration update in February 2018 (see press release dated February 26, 2018).

MINERAL PROPERTIES (continued)

2) Exploration Properties, Ecuador (continued)

Tierras Coloradas (continued)

Aparecida Vein (continued)

Management is very encouraged by the initial results of the surface mapping and sampling conducted to date at Tierras Coloradas. Normally, surface mapping and sampling programs mostly test only the width and strike length of the mineralization but at Tierras Coloradas, because of the topography, the sampling indicates significant mineralization and potential at depth. The discoveries and work completed to date in all three dimensions require additional surface mapping and sampling followed by extensive drilling.

Quality Assurance

All INV Metals sample assay results have been independently monitored through a quality control/quality assurance ("QA/QC") program including the insertion of blind standards, blanks and pulp and reject duplicate samples. The rock sampling was completed by a geological contractor under the direct supervision of INV Metals. The samples are securely transported to the Bureau Veritas sample preparation facility in Quito, Ecuador. Sample pulps are sent to the same lab in Callao, Peru, which is independent of INV Metals, for analysis. Gold content is determined by fire assay of a 50 gram sample with an AAS finish and silver content is determined by aqua regia digestion with an ICP-AES finish. Gold values of >10 g/t are re-analyzed by the gravimetric method using a 50 gram sample.

Qualified Person

The scientific and technical information contained in this section of the MD&A has been reviewed and approved by Mr. Darren King, Vice President Exploration, and a non-Independent Qualified Person, as defined by NI 43-101. He is a Registered Member of the Society for Mining, Metallurgy & Exploration (SME) of the United States. Mr. King has a M.Sc. in Geology from South Dakota School of Mines and Technology and has over 30 years of exploration experience throughout the Americas. Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource on the Project and it is uncertain if further exploration will result in such targets being delineated as a mineral resource.

Expenditures at Exploration Properties in the nine-month periods ended September 30, 2018 and 2017

The following table sets forth a breakdown of material components of expenditures incurred at the Exploration Properties in the nine-month period ended September 30, 2018 and 2017.

MINERAL PROPERTIES (continued)

2) Exploration Properties, Ecuador (continued)

Expenditures at Exploration Properties in the nine-month periods ended September 30, 2018 and 2017 (continued)

	2017				
	Tierras			La	
	Las Peñas	Coloradas	Rebuscada	Carolina	Total
Opening balance - January 1	\$ -	\$ -	\$ -	\$ -	\$ -
Geological interpretation	330,129	364,629	28,947	-	723,705
Concession and related costs	354,971	125,063	37,179	1,870	519,083
Total expenditures - September 30	685,100	489,692	66,126	1,870	1,242,788
Exchange differences	(32,947)	(23,093)	(2,142)	-	(58,182)
Closing balance - September 30	\$ 652,153	\$ 466,599	\$ 63,984	\$ 1,870	\$ 1,184,606

	2018				
	Tierras			La	
	Las Peñas	Coloradas	Rebuscada	Carolina	Total
Opening balance - January 1	\$ 807,499	\$ 469,383	\$ 110,113	\$ 84,407	\$ 1,471,402
Geological interpretation	149,532	740,016	79,628	64,739	1,033,915
Environment permitting	34,536	19,388	236	6,949	61,109
Concession and related costs	383,686	165,149	39,965	39,599	628,399
Total expenditures - September 30	567,754	924,553	119,829	111,287	1,723,423
Exchange differences	25,006	7,870	3,490	2,145	38,511
Closing balance - September 30	\$ 1,400,259	\$ 1,401,806	\$ 233,432	\$ 197,839	\$ 3,233,336

Expenditures in the nine-month period ended September 30, 2018 totalled \$1,723,423 compared to \$1,242,788 in same period in 2017 and consist of the Company's field programs, including prospecting, mapping, and rock chip sampling while permits are awaited. Project expenditures in the corresponding period in 2017 consisted of concession fees and prospecting activities for Las Peñas, Tierras Coloradas and La Rebuscada following the award of the concessions in January 2017.

RESULTS OF OPERATIONS

The following table presents the changes between INV Metals' consolidated statement of loss and comprehensive loss/(income) for the three and nine-month periods ended September 30, 2018 and 2017.

INV METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

RESULTS OF OPERATIONS (continued)

<i>For the three and nine-month periods ended</i>	Three Months Ended			Nine Months Ended		
	September 30, 2018	September 30, 2017	Change	September 30, 2018	September 30, 2017	Change
General and administration						
Shareholder and regulatory	\$ 10,000	\$ 117,840	\$ (107,840)	\$ 144,831	\$ 326,106	\$ (181,275)
Travel expense	11,217	53,921	(42,704)	61,715	103,002	(41,287)
Office	77,924	59,080	18,844	189,627	176,587	13,040
Total general and administration	99,141	230,841	(131,700)	396,173	605,695	(209,522)
Compensation						
Compensation	429,682	370,319	59,363	1,774,999	1,242,482	532,517
Stock-based compensation	417,133	286,963	130,170	906,894	931,817	(24,923)
Total compensation	846,815	657,282	189,533	2,681,893	2,174,299	507,594
Professional fees	27,061	27,374	(313)	121,389	152,884	(31,495)
Fair value gain on investments	(560,775)	(188,604)	(372,171)	(523,699)	(254,293)	(269,406)
Other expenses and general exploration	-	7,247	(7,247)	-	848,153	(848,153)
Foreign exchange loss/(gain)	477	(14,421)	14,898	(1,773)	170,970	(172,743)
Operating loss	412,719	719,719	(307,000)	2,673,983	3,697,708	(1,023,725)
Finance income	(35,135)	(57,881)	22,746	(130,207)	(150,672)	20,465
Total loss for the period	\$ 377,584	\$ 661,838	\$ (284,254)	\$ 2,543,776	\$ 3,547,036	\$ (1,003,260)
Other comprehensive loss/(income)						
Cumulative translation adjustment	1,051,373	2,147,301	(1,095,928)	(1,497,004)	3,851,251	(5,348,255)
Total comprehensive loss for the period	\$ 1,428,957	\$ 2,809,139	\$ (1,380,182)	\$ 1,046,772	\$ 7,398,287	\$ (6,351,515)

During the three-month period ended September 30, 2018 the Company recorded a total loss from continuing operations of \$377,584 or \$0.00 per share, compared to \$661,838 or \$0.01 per share in same period in 2017, a decrease of \$284,254 from prior year. The loss decreased in Q3/2018 compared to Q3/2017 mainly due to higher gains on investments in the period and lower investor relations expenses, partially offset by higher compensation costs.

For the nine-month period ended September 30, 2018, the Company recorded a total loss of \$2,543,776 or \$0.03 per share, which was \$1,003,260 lower than the corresponding period in the prior year total loss of \$3,547,036 or \$0.04 per share. The loss decreased in the nine-month period ended September 30, 2018 compared to same period in 2017 mainly due to other expenses and general exploration costs in 2017 for a one-time mandatory contribution to the Government of Ecuador for the earthquake relief efforts paid in 2017, higher gains on fair value investments, lower foreign exchange losses, lower shareholder and regulatory expenses, offset by higher compensation costs.

In Q3/2018, shareholder and regulatory expenses totalled \$10,000, a decrease of \$107,840 from \$117,840 in Q3/2017. The year-to-date shareholder and regulatory expenses decreased by \$181,275 to \$144,831 in the nine-month period, compared to \$326,106 in the same period in 2017. The decrease in the three and nine-month periods respectively are due less corporate marketing costs in 2018 and reclassification of expenses.

Compensation expenses totalled \$429,682 in Q3/2018 compared to \$370,319 in Q3/2017, an increase of \$59,363. For the nine-month period to-date compensation expenses totaled \$1,774,999 compared to \$1,242,482 in the nine-month period in 2017, an increase of \$532,517. The increase for the three and nine-month periods compared to the same periods in the prior year was mainly as a result of a larger number of employees at INV Metals in support of the FS and regional exploration activity at the Ecuadorian subsidiary.

For the three-month period ended September 30, 2018, stock-based compensation expenses totalled \$417,133, an increase of \$130,170 from \$286,963 in Q3/2017. The increase in Q3/2018 was due to a larger amount of options vesting following issuances in Q2/2018. For the nine-month period ended September 30, 2018, stock-based compensation expenses totaled \$906,894, a decrease of \$24,923 from

RESULTS OF OPERATIONS (continued)

\$931,817. The decrease for the nine-month period was due to higher valued options issued in 2017, offset slightly in 2018 by a larger amount of options vesting.

The fair value gain on investments totalled \$560,775 in Q3/2018, an increase of \$372,171 from \$188,604 in Q3/2017. The year-to-date gain on investments increased by \$269,406 to \$523,699 in the nine-month period, compared to a gain of \$254,293 in the same period in 2017. The increase in the three and nine-month periods respectively are due to gains on mark-to-market investments in 2018.

The cumulative translation loss decreased by \$1,095,928 to \$1,051,373 in Q3/2018 compared to \$2,147,301 in Q3/2017. For the nine-month period year-to-date, cumulative translation decreased by \$5,348,255 compared to the same period in 2017 from a loss of \$3,851,251 to a gain of \$1,497,004. The movements in the three and nine-month periods are as a result of changes in the US dollar value relative to the Canadian dollar on translation of the assets and liabilities of the Ecuadorian subsidiary.

FOREIGN EXCHANGE

INV Metals reports its financial results in Canadian dollars. The Company's expenses include costs incurred in Canadian and US dollars.

The Canadian dollar weakened relative to the US dollar during the three month period ended September 30, 2018 as the average rate was \$1.3028/US\$1.00 compared to an average rate of \$ 1.2536/US\$1.00 in Q3/2017. The CAD also strengthened relative to the USD for the first nine months of the year in 2018, as the average rate was C\$1.2895/US\$, compared to C\$1.3071/US\$ during the same period in 2017.

The US Dollar was \$1.3206/US\$1.00 as at November 12, 2018.

FINANCIAL CONDITION AND LIQUIDITY

Operating activities

The Company is not in commercial production on any of its properties and accordingly, does not generate cash from operations. The Company finances its activities by raising capital through equity issuances. During the nine-month periods ended September 30, 2018 and 2017, the Company had negative cash flow from operating activities and anticipates negative cash flow from operating activities in future periods until such time that commercial production may be achieved from the development of Loma Larga.

Cash flows used in operating activities in the nine-month period ended September 30, 2018 totalled \$1,754,847, compared to \$2,641,010 in the corresponding period in 2017. Changes in unrealized fair value gains on investments, share-based compensation and interest income on cash deposits comprise the principal amounts that reconcile the statement of loss to the statement of cash flows from operating activities.

See "Contractual Obligations and Commitments" and "Liquidity and Capital Resources" below for further discussion of the Company's contractual commitments and ability to fund those commitments in connection with its business plan.

Financing activities

On March 2, 2017, the Company completed an equity financing by way of short form prospectus offering (the "Offering") issuing 27.6 million common shares for gross proceeds of \$27.6 million less transaction costs of \$2.3 million for net proceeds of \$25.3 million. The Company intends to use the net proceeds of the Offering to advance the development of Loma Larga, including the completion of the FS which started

FINANCIAL CONDITION AND LIQUIDITY (continued)

Financing activities (continued)

in June 2017, exploration at Loma Larga and the Company's other exploration properties within Ecuador, and for general corporate purposes. See "Use of Proceeds" for details.

Investing activities

Cash flows used in investing activities for the nine-month period ended September 30, 2018 totalled \$10,028,603 compared to \$8,672,954 for the corresponding period in 2017. Investing activities in the nine-month period ended September 30, 2018 were higher than in the same period in 2017 primarily due to expenditures related to critical path FS fieldwork at Loma Larga and exploration programs at the Exploration Properties.

Liquidity and Capital Resources

As at September 30, 2018, the Company had cash of \$7,341,030 (2017 - \$19,139,960) and working capital² of \$6,704,692 (2017 - \$18,655,998). The following table sets forth a breakdown of the components to calculate working capital as at September 30, 2018 and December 31, 2017.

<i>For the period and year ended</i>	September 30, 2018	December 31, 2017
Current assets		
Cash	\$ 7,341,030	\$ 19,139,960
Other receivables	620,049	715,710
	7,961,079	19,855,670
Current liabilities		
Other payables	1,256,387	1,199,672
	1,256,387	1,199,672
Working capital	\$ 6,704,692	\$ 18,655,998

Cash and working capital have decreased in the nine-month period ended September 30, 2018 due to expenditures at Loma Larga, the Exploration Properties and general corporate expenditures. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

In management's view, the Company has sufficient financial resources to maintain the Loma Larga and the Exploration Properties in good standing and fund ongoing operating and administrative expenditures, given that the Company had working capital of \$6,704,692 as at September 30, 2018. The value of the Canadian dollar relative to the US dollar significantly impacts the Company's operating budget as Loma Larga expenditures and regional exploration in Ecuador are USD denominated. The Canadian dollar weakened in 2018 relative to the to the US dollar, however, operating expenses have not been materially affected.

The Company has, in the past, financed its activities by raising capital through equity issuances. Many factors influence the ability to raise funds, including the current economic climate for and overall sentiment towards mineral exploration investment, the Company's track record, foreign exchange fluctuations at the Ecuadorian subsidiary and the experience and caliber of its management. Although the Company has been able to access external financing to-date, there can be no assurance that funding will be available in the future or available on acceptable terms.

² "Working Capital" is a non-IFRS Performance Measure (see "Non-IFRS Measures").

FINANCIAL CONDITION AND LIQUIDITY (continued)

Liquidity and Capital Resources (continued)

A continuous review of capital expenditure programs ensures the Company's capital resources are utilized in a responsible and sustainable manner to conserve cash and maintain adequate working capital. The Company's future is dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its ongoing operations, permitting, further feasibility desktop study work, and ultimate development and construction of the Project. The Company will consider over the near term the requirements to advance Loma Larga to the next phase of evaluation and finance further exploration.

The Company will continue to be dependent on raising equity capital or debt, in addition to adjusting expenditures and disposing of assets as required unless it reaches the production stage and generates cash flow from operations. See "Risks and Uncertainties" for further details.

USE OF PROCEEDS

The Company's primary objectives are to bring Loma Larga into production at the earliest opportunity and to grow through internal exploration and strategic acquisitions. See "Company Description and Highlights".

The Company intends to use the proceeds of the Offering (the "Proceeds"), in part, to complete its FS on the Loma Larga, to undertake exploration programs on the Project, and to undertake early stage exploration of the Company's Exploration Properties in Ecuador.

Use of Proceeds	Previously Disclosed	Expenditures
Initiation and Advancement of the Loma Larga Project Feasibility Study	\$ 11,500,000	\$ 11,000,000
Exploration at the Loma Larga Property and Other Properties in Ecuador	5,000,000	5,300,000
Working Capital and General Corporate Purposes	8,800,000	7,000,000
	\$ 25,300,000	\$ 23,300,000

The FS expenditures above include funds for the geotechnical and hydrogeological programs as well as the FS costs. The first phase of the exploration drill program at Loma Larga was completed in 2017. Work at the Exploration Properties commenced in H2/2017 and is ongoing in 2018, with the Company having a budget of \$2 million for prospecting activities in 2018.

RELATED PARTY TRANSACTIONS

The Company's related parties and subsidiaries are the same as those presented by the Company in its Financial Statements.

1) Remuneration of directors and officers

The following summarizes remuneration of directors and officers during the nine-month periods ended September 30, 2018 and 2017.

RELATED PARTY TRANSACTIONS (continued)

1) Remuneration of directors and officers (continued)

	September 30, 2018	September 30, 2017
Salaries of key management	\$ 1,137,990	\$ 818,025
Director fees	169,696	174,403
Stock-based compensation	867,269	883,624
	\$ 2,174,955	\$ 1,876,052

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has committed to payments under various leases and other commitments as outlined in the table below. The expenditures for amounts which may be required to maintain the Company's mineral properties in good standing are not outlined in the table below.

	Total	Less than One Year	Between 1 - 5 Years	More than 5 Years
Operating leases	\$ 985,519	\$ 399,296	\$ 586,223	\$ -
Environmental management plan	\$ 264,420	\$ 264,420	\$ -	\$ -

INV Metals has a lease arrangement for office space that was renewed in January 2018 and expires December 31, 2022. During the nine-month period ended September 30, 2018 an amount of \$232,906 was recognized in total loss in respect of operating leases.

INV Minerales Ecuador S.A. ("INV Minerales") holds a term deposit relating to its environmental management plan for ongoing expenditures related to environmental matters at Loma Larga.

The Loma Larga Project is subject to a 5% Net Profit Interest, payable to Compagnie Générale des Matières Nucléaires (now "AREVA"), the original owner of the property. In addition, the Company must pay to AREVA, \$2.00 per ounce of gold, payable in three equal annual installments, contained in proven and probable mineral reserves and indicated and measured mineral resources, as defined by the completion of a bankable feasibility study ("FS") from the date in which the Board makes a formal production decision. Any contingent payments are subject to significant uncertainty based on many factors, including, but not limited to the completion of a positive economic FS, positive market conditions, the availability of project financing, positive operating conditions in Ecuador, and the acquisition of all relevant permits.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been derived from the Company's Financial Statements. The total comprehensive (loss)/income in each quarter below includes cumulative translation adjustments of the Company's Ecuadorian subsidiary, which fluctuate due to movements of the Canadian dollar relative to the US dollar.

INV METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

QUARTERLY FINANCIAL INFORMATION (continued)

<i>For the period ended</i>	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Interest income	\$ 35,135	\$ 41,826	\$ 53,246	\$ 65,117
Total loss	(377,584)	(1,458,879)	(707,317)	(1,210,969)
Total comprehensive (loss)/income	(1,428,957)	(389,471)	771,653	(1,012,124)
Loss per share from continuing operations* - basic and diluted	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.01)

<i>For the period ended</i>	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Interest income	\$ 57,881	\$ 59,445	\$ 33,347	\$ 20,996
Total loss	(661,838)	(1,105,285)	(1,779,909)	(540,518)
Total comprehensive (loss)/income	(2,809,139)	(2,473,237)	(2,115,906)	470,952
Loss per share from continuing operations* - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)

**Basic and diluted loss per share is calculated based on the weighted-average number of shares outstanding. The conversion of stock options and restricted share units is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.*

The total loss decreased in Q3/2018 compared to Q2/2018 primarily due fair value gains on marked to market investments. The total loss decreased in Q2/2018 compared to Q1/2018 primarily due compensation expenses as a result of increased employees as the Company grows. The total loss decreased in Q1/2018 compared to Q4/2017 primarily due to timing differences in compensation and stock-based compensation expenses. The total loss increased in Q4/2017 compared to Q3/2017 primarily due to a write-down of the Kaoko property in Namibia, offset by gains on marketable securities. The total loss decreased in Q3/2017 compared to Q2/2017 primarily due to gains on marked to market and lower foreign currency translation losses. The total loss decreased in Q2/2017 compared to Q1/2017 primarily due to lower compensation and stock-based compensation expenses in the quarter. The total loss increased in Q1/2017 compared to Q4/2016 primarily due to a one-time mandatory contribution to the Government of Ecuador for the earthquake relief efforts, compensation and stock-based compensation expenses in the quarter. The total loss increased in Q4/2016 compared to Q3/2016 primarily due to corporate marketing efforts and conference attendance expenditures.

OUTSTANDING SHARE DATA

As at November 13, 2018 the Company had 92,598,651 Common Shares outstanding, as well as stock options to purchase 7,709,200 Common Shares at a weighted average price of \$0.74 and restricted share units of 679,998 at a weighted average price of \$0.36.

OFF-BALANCE SHEET TRANSACTIONS

During the nine-month period ended September 30, 2018 the Company was not involved in any off-balance-sheet transactions.

QUALIFIED PERSON

The scientific and technical information contained in this MD&A has been reviewed and approved by William (Bill) Shaver, P. Eng., Chief Operating Officer, INV Metals Inc. and Mr. Darren King, Vice President Exploration, INV Metals Inc., both non-Independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

For readers to fully understand the technical information in this MD&A, they should review the Technical Report filed on August 29, 2016 under the Company's profile on SEDAR at www.sedar.com in its entirety, including all of the qualifications, assumptions and exclusions that relate to the information set out in the Technical Report, which qualify the technical information contained in the Technical Report. The Technical Report is intended to be read as a whole, and sections should not be reviewed or relied upon out of context. The Technical Report also describes the mineral resource and mineral reserve estimation methodologies and the assumptions used, and to which those estimates are subject. The AIF filed under the Company's profile on SEDAR at www.sedar.com includes details of certain risk factors that could materially affect the potential development of the mineral resources and mineral reserves and should be considered carefully.

NON-IFRS PERFORMANCE MEASURES

Cash Cost, AISC, and Working Capital are non-IFRS performance measures included in this MD&A. The Company reports Cash Cost per ounce sold and AISC in accordance with the guidance published by the World Gold Council in June 2013. These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess how the Project ranks against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations.

The Company calculates Working Capital as its current assets less its current liabilities. Management uses working capital as an internal measure to better assess performance trends. It is understood that a number of investors and others that follow the Company's business assess performance in this way.

The above performance measures do not have a meaning within IFRS, and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

RISKS AND UNCERTAINTIES

An investment in the Company entails certain risk factors, which should be considered carefully, including but not limited to, those set out below. A discussion of these and other factors that may affect the Company's actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in the Company's AIF filed under the Company's profile on SEDAR at www.sedar.com.

The Company's material property is Loma Larga, located in Ecuador. There is a risk that the positive results of the PFS as a large-scale mining project may not be realized as contemplated in the PFS to warrant advancement following the FS and, as a result, that the Board and/or management of the Company may decide not to proceed with the further exploration and development of the Project.

There is a risk that the Company may not be able to execute the Exploitation Contract with the Government of Ecuador ("Exploitation Contract") under the negotiated terms or may not obtain the required permits to operate Loma Larga as a large-scale mining project as anticipated in the PFS. If the Company does not execute the Exploitation Contract or is unable to obtain the required permits to operate such that the Board decides not to proceed with development, the Company may be required to write-down part or all of the value currently attributed to the Project, as management may look to change the focus of its future activities on other assets. The current value attributed to Loma Larga is

RISKS AND UNCERTAINTIES (continued)

approximately \$66 million. A write-down of some or all of the value of the Project could materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as Loma Larga is currently the Company's flagship asset.

The PFS on Loma Larga estimates initial capital costs for development of approximately US\$286 million. There is a risk that the Company may not be able to fund the development of the Project if it cannot raise significant equity or debt financing in the future. During the three and nine-month period ended September 30, 2018, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at the Project. The Company's failure to achieve profitability and positive operating cash flows will result in the requirement for additional financing, which may or may not be available upon terms acceptable to the Company, or at all, and could have a material adverse effect on the Company's financial condition and results of operations.

The Company is subject to political, regulatory and taxation risks associated with conducting mineral exploration and development in foreign countries, mainly Ecuador. Exploration and development of mineral deposits may be affected by risks associated to changes in government regulations with regard to, but not limited to, restrictions on future exploitation and production including adequate infrastructure, price and export controls, income taxes, immigration policies, potential delays in obtaining or the inability to obtain necessary permits, opposition to mining from non-governmental organizations ("NGOs"), limitations on foreign ownership, expropriation of property, environmental legislation, labour relations, limitations on repatriation of income and return of capital investment, high rates of inflation and site safety.

The Company faces the risk that future governments may adopt substantially different policies, which might extend to restrictions on mining, the expropriation of assets, increased taxes, royalties or other government participation in the mining sector or renegotiation of existing mineral rights, any of which could adversely affect the Company's business. In addition, internal political volatility could generate a situation in which delays occur for contract negotiations or permit approvals, resulting in changes to the overall Project schedule, or the Government of Ecuador may in the future adopt substantially more onerous laws or policies, which might extend to, as an example, expropriation of assets or the implementation of new taxes or royalties that render the Project uneconomic.

The Constitution and laws of Ecuador establish that the control, management and decisions for the development of the strategic sectors and the mining industry in particular are under the control, management and decision of the national authorities. However, in January 2017, the Municipality of Cuenca (the "Municipality"), a local authority where the Company's Loma Larga and Las Peñas Project are located, approved a declaration relating to the preservation of water sources and mining activities in the region (the "Declaration"). Although the Declaration could impose certain conditions on mining activities within urban areas, municipalities do not have the authority to prevent the development of mining activities within an area such as the Municipality (i.e. a canton) because the central Government of Ecuador is the sole authority for the control and regulation of mining activities within the country. Amongst other matters, the Declaration seeks to declare the Municipality as a canton free of mining activities and to request that the Government of Ecuador suspend the exploration and operational activities of the mining companies in its jurisdiction. The Declaration is not binding on any party because the Government of Ecuador is the sole authority for the control and regulation of mining activities within the country. However, if the Government of Ecuador puts such a prohibition in place, then it would have a material adverse effect on the Company, would likely result in a write-down of part or all of the value currently attributed to Loma Larga and may result in a change in the focus of the Company's future activities.

Loma Larga and the recently awarded Exploration Properties concessions are located near rural communities. Some of these communities contain groups that have been opposed to mining activities from time to time in the past. Opposition to mining activities in the region may affect the Company's ability to explore and develop Loma Larga and the Exploration Properties in the short and long term.

RISKS AND UNCERTAINTIES (continued)

Furthermore, local communities may be influenced by external entities, groups or organizations opposed to mining activities. Certain NGOs, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. These organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of influence surrounding the Company's mineral properties.

The Company will be subject to various corporate, profit sharing, capital gains and extraordinary taxes, among others, that are imposed by the Government of Ecuador. The tax regimes in Ecuador may be subject to differing interpretations, are subject to change without notice and the Company's interpretations may not coincide with that of the Ecuadorian tax authorities.

INV Metals' material mineral property, Loma Larga, is in the economic evaluation stage and consists of probable mineral reserves and mineral resources. It is not yet known if the mineral resources at the Loma Larga deposit can be converted from mineral resources to mineral reserves or if the probable mineral reserves can be converted to proven mineral reserves. If the mineral resources and mineral reserves at Loma Larga are found not to be economically extractable, there is the potential that the Company may be required to write-down part or all of the value currently attributed to the Project, which was carried at a cost of approximately \$66 million for Loma Larga as at September 30, 2018.

Additional principal risks affecting the Company include those summarized below which remain substantially unchanged from the disclosure contained and expanded upon in the Company's AIF and are not readily quantifiable:

- Risks that the results of the FS will not be consistent with the Company's actual results and the possibility that future exploration, development or mining results will not warrant further advancement at Loma Larga;
- Risks and uncertainties related to the interpretation of drill results, the geology, grade, continuity of mineral deposits and conclusions of economic evaluations and other assumptions and parameters;
- Risks related to the reliability of commercial laboratory analytical results, possible variations in reserves, grade, and changes in project parameters as plans continue to be refined;
- Exploration and potential future development risks, including risks related to the grant of access rights to the properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions to exploration and development;
- Risks related to the Company's lack of mineral production history and dependence on a single material project;
- Risks related to the Ecuadorian mining law, including the regulatory regime requirements in order for the Company to commence exploitation of the Project;
- Risks and uncertainties related to the unexpected costs and/or liabilities related to Loma Larga;
- Risks related to potential delays in exploration, potential future development activities or the completion of the FS;
- Risks related to market sentiment and commodity price fluctuations;

RISKS AND UNCERTAINTIES (continued)

- Risks related to the economic viability of Loma Larga based on changing commodity prices;
- Risks related to the global economy, including disruptions in the international credit markets and other financial systems and the deterioration of the global economic conditions, could impact the Company's access to capital;
- Risks of failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities;
- Risks related to environmental regulation and liabilities arising from changes to enacted laws and regulations and probability of new laws and regulations;
- Risks of potential losses, liabilities and damages arising from the lack of insurance coverage related to risks of the business that are uninsured or uninsurable;
- Risks related to the loss of the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel;
- Risk that the interests of IAMGOLD Corporation differ from those of other shareholders due to its ability significantly influence on decisions to be made by the Company following the Loma Larga acquisition in 2012;
- Risks from disruption, damage or failure from various causes, including, but are not limited to, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into the Company's operations; and
- Other risks and uncertainties related to the Company's prospects, properties and business strategy.

CORPORATE GOVERNANCE

Management and the Board of INV Metals recognize the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance. INV Metals' directors have expertise in exploration, metallurgy, mining, accounting, banking, financing and the securities industry. The Board meets at least four times per year, and committees meet per their respective mandates or as required.

The mandate of the Board has been adopted by the Board outlining its responsibilities and defining its duties. The Board has four committees (the Audit committee, the Compensation committee, the Social, Health, Safety and Environment committee and the Corporate Governance and Nominating committee).

The Audit committee has an approved committee charter, which outlines the committees' mandate, specifies procedures for calling a meeting and authorizes access to outside resources.

The Company's Social, Health, Safety and Environment committee has adopted a Mandate of the Social, Health, Safety and Environment committee concerning the Company's treatment of social, environmental and health and safety matters.

CORPORATE GOVERNANCE (continued)

The Board has also approved a Code of Business Conduct and Ethics, which governs the ethical behavior of all employees, management and directors. Separate insider trading and disclosure policies are also in place. For more details on INV Metals' corporate governance practices, please refer to INV Metals' website at www.invmetals.com.

While the Company is subject to Canadian regulatory provisions, the Board and management incorporate strong corporate governance practices in the belief that such practices provide protection for its investors and add value to the Company. The Board formally reviews the risks impacting the Company on an annual basis when it reviews and approves the AIF. In addition, the Board reviews the risks impacting the Company on an as needed basis, such as in connection with the Company's expenditures and strategy given the status of the Company's flagship asset, Loma Larga and Ecuador's relatively new mining laws.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

1) Disclosure Controls

Disclosure controls and procedures ("Disclosure Controls") are procedures designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, does not expect that the Company's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings," issued by the Canadian Securities Administrators ("CSA") requires the CEO and the CFO to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

2) Internal Controls over Financial Reporting

INV Metals' CEO and CFO have evaluated the effectiveness of the Company's Disclosure Controls as at September 30, 2018 and concluded that, subject to the inherent limitations noted above, those disclosure controls were effective for the period then ended.

National Instrument 52-109 also requires CEO's and CFO's to certify that they are responsible for conducting an evaluation of the effectiveness of internal controls over financial reporting ("ICFR"), as defined by the CSA, for the Company, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the Company has disclosed any changes in its ICFR during its most recent period that has materially affected, or is reasonably likely to materially affect, its' financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well designed, ICFR has inherent limitations, can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING
(continued)

2) Internal Controls over Financial Reporting (continued)

Management conducted an assessment of the effectiveness of ICFR in place as of September 30, 2018 and concluded that such procedures are adequate and effective. The Board assesses the integrity of the public financial disclosures through the oversight of the Audit Committee. No material changes in ICFR have been made as of September 30, 2018.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company (as defined below), certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the financial results and expectations for 2018, the Property categorization as a "large-scale" project under Ecuador's mining laws and tax regimes, future anticipated results of exploration programs, including, but not limited to, interpretation of drill results, uncertainty surrounding metallurgical test results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations and the assumptions on which such economic evaluations are based, the industry-wide and Loma Larga specific risks that are identified in the Technical Report, the possibility that future exploration, development or mining results will not be consistent with the Company's expectations, the future price of precious and base metals, demand for metals, currency exchange rates, political and operational risks inherent in mining or development activities, legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals, environmental protection, expenditures on property, plant and equipment, increases and decreases in mineral reserves and/or mineral resources, anticipated grades and recovery rates that are or may be based on assumptions and/or estimates related to future economic, market and other conditions, requirements for additional capital and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable 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, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: uncertainties regarding the price of precious and base metals and the availability of equity financing; uncertainties regarding the exploration and development of mineral deposits; the high degree of risk involved in mining operations; lack of mineral production history; dependence on a single project; negative cash flow from operations; compliance with anti-corruption laws; uncertain political stability and government regulation of mining operations, including the expropriation of assets and the presence of illegal miners; the possibility that future exploration results will not be consistent with the Company's expectations; taxation; uncertain political and economic environments; NGO intervention and the creation of adverse sentiment among the inhabitants of areas of mineral development; conducting operations in a foreign country and compliance with foreign laws; failure to fulfill the requirements of any phase of the mining laws of Ecuador; uncertainties of project cost, construction and operating cost overruns or unanticipated costs and expenses; presence of a significant shareholder; presence of endangered species; the reliability of mineral resource and mineral reserve estimates as well as other assumptions and parameters underlying

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (continued)

the anticipated recoverability of precious and base metals; compliance with statutory and regulatory standards; environmental hazards; reliance on adequate infrastructure for mining activities; the assurance of titles or boundaries; surface rights and access rights; costs of land reclamation; permits; uninsurable risks related to exploration, development and production; uncertainties inherent in competition with other exploration companies; hedging; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of precious and base metals; currency exchange rates; the market price of Common Shares; future sales of Common Shares; dependence on key management employees and the ability to recruit and retain employees with special skill and knowledge; conflicts of interest of directors and officers of the Company; use of proceeds; dilution; the regulatory regime in Ecuador; the tax regime in Ecuador; community relations; and enforcement of legal rights. See "Risks and Uncertainties" in this MD&A. This list is not exhaustive of the factors that may affect the forward-looking statements. These and other factors should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

All disclosure contained herein concerning future plans for the Loma Larga is subject to the assumptions and qualifications set forth in the Technical Report, which is available under the Company's profile on SEDAR at www.sedar.com.

DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

This MD&A was prepared in accordance with Canadian standards for reporting of mineral resource estimates, which differ in some respects from standards in the United States. In particular, and without limiting the generality of the foregoing, the terms "inferred mineral resources," "indicated mineral resources," "measured mineral resources" and "mineral resources" used or referenced in this MD&A are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves (the "CIM Standards"). The CIM Standards differ significantly from standards in the United States. While the terms "mineral resource," "measured mineral resources," "indicated mineral resources," and "inferred mineral resources" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. The term "resource" does not equate to the term "reserves". Under the United States' standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Readers are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Readers are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations; however, United States companies are only permitted to report mineralization that does not constitute "reserves" by standards in the United States as in place tonnage and grade without reference to unit measures. The

DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES (continued)

requirements of NI 43-101 for identification of "reserves" are also not the same as those of the United States Securities and Exchange Commission (the "SEC"), and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information regarding mineral resources contained or referenced in this MD&A containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies.