



Management's Discussion and Analysis

For the Nine Months Ended June 30, 2018

REGULUS RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following Management Discussion and Analysis ("MD&A") of Regulus Resources Inc. (the "Company" or "Regulus") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of August 29, 2018 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the nine months ended June 30, 2018 and 2017 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 2017 and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.regulusresources.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

Regulus was formed in December 2010 in connection with the sale of Antares Minerals Inc. to First Quantum Minerals Ltd. The Antares team responsible for the discovery of the Haquira East porphyry copper deposit, which led to the sale of Antares, is seeking to build on that experience and make another major discovery. Regulus was initially established to continue exploration at the 100% held Rio Grande Au-Cu-Mo porphyry project in northern Argentina. The Company put the Rio Grande project on hold in 2012 in response to challenging market conditions and began pursuing opportunities for new mineral projects with good potential for significant discoveries. In September 2014, the Company completed a merger with Southern Legacy Minerals Inc. ("Southern Legacy"). The primary objective of the merger was to acquire the AntaKori Cu-Au-Ag project in northern Peru, which is now the flagship project for Regulus. The AntaKori project is located near several large-scale gold and copper mines and deposits and has an initial NI 43-101 inferred resource of 294.8 million tonnes with a copper grade of 0.48% and a gold grade of 0.36 grams per tonne. Management is confident that further work will expand the current deposit to a size that will be of interest to major mining companies.

The following is a summary of the significant milestones since October 1, 2017 to date.

Spin-Out

On June 29, 2018, the Company announced that it has entered into an arrangement agreement (the "**Arrangement Agreement**") to spin out its Argentine assets, including the Rio Grande and Aguas Calientes projects, into a newly formed company, Aldebaran Resources Inc. ("**Aldebaran**"). Under the terms of the Arrangement Agreement, Aldebaran will enter into a joint venture and option agreement (the "**JV Agreement**") with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("**Sibanye-Stillwater**"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("**Peregrine**"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar Copper-Gold project in San Juan Province, Argentina ("**Altar**" or the "**Altar Project**"). The proposed spin out of Regulus' Argentine assets will be completed pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**") subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the "**Financing**", as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the "**Transaction**").

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, entitling it to earn up to 80% of the Altar Project. The consideration to acquire the Altar Project comprises:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement.
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million.
- The commitment of Aldebaran to carry the next US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May of this year) to earn 60% in the Altar Project.
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

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The Transaction requires approval by two-thirds of the votes cast by the shareholders of Regulus at a special meeting of Regulus shareholders expected to be held in Q3 2018, as well as a simple majority of the votes cast by Regulus shareholders excluding Route One (defined below) and its related funds and any other persons required to be excluded from such vote in accordance with Multilateral Instrument 61-101 of the Canadian securities regulatory authorities. The directors and senior officers of Regulus and certain other shareholders including Route One have entered into voting support agreements, totalling 30.4% of the Company's outstanding shares, pursuant to which they will vote their common shares in favour of the Arrangement. In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

Full details of the Transaction are included in the information circular and meeting materials which were mailed to the shareholders of Regulus on August 28, 2018. Closing of the Transaction is expected to occur by the end of September, 2018.

As a condition to closing the Transaction, Aldebaran must complete the Financing for a minimum of US\$30 million. In that regard, Aldebaran has entered into a subscription agreement with Route One Investment Company LLC and related funds ("**Route One**") of San Francisco whereby Route One has committed to provide financing to Aldebaran of US\$30 million at a price US\$0.32 per share (pre-consolidation) or US\$0.96 per share (post-consolidation – approximately CDN\$1.28). Route One is also a significant Regulus shareholder. Closing of the Financing under the Route One subscription agreement is subject to satisfaction of the closing conditions under the Arrangement Agreement and is expected to occur concurrently with and as a part of the closing of the Arrangement. Aldebaran may raise up to an additional US\$10 million in the Financing on the same terms as the Route One subscription.

Aldebaran intends to consolidate its share capital on a 3 for 1 basis on conclusion of the Arrangement (including the Financing, with the result that Regulus shareholders will receive one Aldebaran common share for every three Regulus common shares held at the effective time of the Transaction.

The Altar Project is located in San Juan Province, Argentina approximately 10 km from the Chile-Argentina border and approximately 180 km west of the city of San Juan (see figure 1). The operating Pelambres copper mine of Antofagasta Minerals is located approximately 25 km to the south (in Chile) and other nearby large porphyry copper projects include El Pachon (Glencore) and Los Azules (McEwen Mining) in Argentina. Altar hosts a large porphyry copper-gold system with mineralization currently defined in three distinct zones – Altar East, Altar Central and the recently discovered QDM-Radio Porphyry zone, about 3 km to the west of Altar Central. Mineralization at all of these porphyry deposits is associated with Miocene intrusive centers emplaced into Miocene volcanic rocks and is dominantly copper or copper-molybdenum. Altar is noteworthy for having relatively higher gold grades associated with the copper mineralization compared to the aforementioned nearby porphyry systems.

The Altar Project was first explored and drilled by CRA/Rio Tinto (7 holes – 2,841 m) in 1995-2004. Peregrine, a Canadian exploration company, subsequently optioned the property from Rio Tinto in 2005. Peregrine expanded the property and completed 56,761 m of drilling in 146 drill holes from 2005-2011 to define an initial mineral resource estimate at Altar Central and Altar East.

In October 2011, Stillwater Mining Company ("**Stillwater**") acquired Peregrine for approximately US\$490 million and in the subsequent period of 2012-2013 completed an additional 38,380 m of drilling in 80 holes to further define estimated mineral resources at Altar Central and Altar East. The estimated mineral resource for the Altar Project, based on drilling through 2013, consists of 2,057 million tonnes of measured and indicated resources at 0.3% copper and 0.1 g/t gold (14.5 billion pounds of copper and 5.2 million ounces of gold) and 557 million tonnes of inferred resources at 0.3% copper and 0.1 g/t gold (3.4 billion pounds of copper and 1.1 million ounces of gold). As stated above, Aldebaran expects to file an updated NI 43-101 report in connection with the filing of the information circular in respect of the Transaction by August, 2018.

In 2014, Stillwater refocused on platinum group metals production and Altar was determined to be a non-core asset. Exploration at Altar has been fairly limited since that time with principal activities in 2014 and 2015 limited to surface mapping and the collection of baseline environmental data. A smaller drill campaign in 2016 (4,931 m in 8 holes) resulted in the discovery of the upper QDM zone, which is dominantly a gold stockwork zone with minor copper values. Additional limited drilling in 2017 (5,630 m in 7 holes) further defined the QDM zone and discovered higher grade copper-gold mineralization at depth. A complete summary of the significant results from Altar, including drilling by Stillwater in the 2012, 2013, 2016 and 2017 drilling campaigns is available on the Sibanye-Stillwater website (www.sibanyestillwater.com/our-business/americas/projects/altar). Mineralization at Altar remains open in several directions laterally and to depth with multiple holes terminating in higher grade copper-gold mineralization (see figures 2 and 3). Aldebaran believes that there is potential to expand these areas of higher grade. Examples of some of the more notable intercepts are summarized below.

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Altar East						
Drill hole	From (m)	To (m)	Length (m)	Cu %	Au g/t	Cu Eq%
ALD 173	12.00	941.00	929.00	0.44	0.24	0.62
including	324.00	860.00	536.00	0.57	0.34	0.82
ALD 176	72.00	951.25	879.25	0.53	0.29	0.76
including	456.00	951.25	495.25	0.71	0.39	1.01

Altar Central						
Drill hole	From (m)	To (m)	Length (m)	Cu %	Au g/t	Cu Eq%
ALD 043	210.00	1009.70	799.70	0.69	0.06	0.73
including	210.00	292.00	82.00	0.96	0.08	1.03
and	576.00	951.80	375.80	0.85	0.04	0.89
ALD 049	132.00	951.60	819.60	0.62	0.10	0.70
including	264.00	616.00	352.00	0.78	0.17	0.91

QDM-Radio Porphyry						
Drill hole	From (m)	To (m)	Length (m)	Cu %	Au g/t	Cu Eq%
QDM 034	634.00	1006.00	372.00	0.59	0.46	0.95
including	840.00	940.00	100.00	1.07	0.96	1.82
including	852.00	918.00	66.00	1.32	1.22	2.27
including	882.00	918.00	36.00	1.72	1.62	2.99

Reported intervals based on cutoffs of 0.2% CuEq and 0.5% CuEq.

$CuEq = Cu\% + ((Au\text{ ppm} * \$/\text{oz Au} + Ag\text{ ppm} * \$/\text{oz Ag}) / (22.0462 * 31.1035 * \$/\text{lb Cu}))$

CuEq metal prices used are: Cu = US\$2.25/lb, Au = US\$1,100/oz and Ag = US\$14/oz

Sibanye acquired Stillwater in 2017 and the Altar Project was further deemed to be non-core to Sibanye-Stillwater. Regulus subsequently completed an extensive review of the project and entered into discussions with Sibanye-Stillwater which led to the current agreement. Sibanye-Stillwater has completed additional drilling at Altar in the period of February to May of 2018 (4,923 m of drilling in 3 new holes and one extension of an existing hole). As part of the Transaction, Aldebaran will compensate Sibanye-Stillwater for the 2018 drilling costs. Regulus (Aldebaran) will begin to receive the 2018 drill results from Sibanye-Stillwater upon this announcement of the agreement and will disclose those results in a press release when the results are complete and have passed QAQC protocols.

Aldebaran will be led by John Black as Chief Executive Officer, Dr. Kevin B. Heather (FAusIMM) as Chief Geological Officer and Mark Wayne as Chief Financial Officer, each of whom currently serves in the same capacity with Regulus. Both Aldebaran and Regulus are actively searching for additional personnel to supplement their management teams. The Board of Aldebaran will include John Black, Dr. Kevin B. Heather, Mark Wayne, Fernando Pickmann, and Gordon Leask. Aldebaran has also agreed to provide each of Sibanye-Stillwater and Route One the right to nominate one member to its board.

Private Placement Financing

On August 22, 2018, the Company announced that it has engaged Canaccord Genuity Corp. leading a syndicate of agents including PI Financial Corp. and Haywood Securities Inc. (together, the "Agents") to complete a private placement financing, on a best efforts basis, of not less than 10,600,000 common shares ("Shares") of the Company at an issue price of C\$1.90 per Share for gross proceeds of not less than \$20,140,000 (the "Offering"). Regulus has been advised by Route One Investment Company, L.P. that it intends, for one or more of

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its managed investment funds (such funds, collectively, "**Route One**"), to participate in the Offering for 7,000,000 of the 10,600,000 Shares.

The Agents will have the option, but not the obligation, exercisable in whole or in part at any time up to 48 hours prior to the closing of the Offering, to increase the size of the Offering by up to an additional 1,590,000 Shares at the issue price.

The Offering is expected to close before the end of September 2018 after the Regulus shareholder meeting currently scheduled for September 21, 2018, but prior to the closing of the proposed plan of arrangement (the "**Arrangement**") among Regulus, Sibanye Gold Ltd. and Aldebaran Resources Inc. ("**Aldebaran**"), the terms of which were outlined in the Company's press release dated June 29, 2018, and are summarized above. As a result, the Shares issued pursuant to the Offering will be entitled to participate in the distribution of Aldebaran common shares contemplated under the Arrangement.

Route One currently owns or exercises control over 14,139,376 Shares of the Company, representing approximately 18% of the issued and outstanding Shares. If the Offering as described herein is consummated, the 7,000,000 Shares subscribed for by Route One will give Route One ownership or control of over 20% of the Company's voting securities, so the closing of the Offering will also require approval by a majority vote of the shareholders of Regulus, excluding any Shares owned or controlled by Route One. This item of business has been added to the agenda for the September 21, 2018 shareholder meeting. If the Offering is approved and completed and Route One participates for 7,000,000 Shares, Route One would own or control approximately 24% of the outstanding Shares (assuming the Offering is subscribed for at its minimum level and that no other Shares are issued through warrant or option exercises before then).

The Company intends to use the net proceeds of the Offering primarily for exploration on its AntaKori copper-gold-silver project in Peru and for general corporate purposes.

The Shares will be offered and sold by way of private placement exemptions in all provinces and territories of Canada, and other jurisdictions as agreed upon between the Agents and the Company. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX-V. If the minimum amount of the Offering is not achieved, the Offering may not proceed. Closing is expected on or about September 27, 2018. All securities issued in connection with the Offering will be subject to a four month hold period. The Agents will receive a cash commission of 6.0% of the gross proceeds raised pursuant to the Offering as well as broker warrants which will entitle the Agents to acquire that number of Shares which is equal to 6.0% of the aggregate number of Shares sold pursuant to the Offering, with each broker warrant to be exercisable to purchase one Share at the offering price at any time, on or before the date which is 24 months after the Closing. The commission and broker warrants will be reduced for certain investors identified by the Company to the Agents, including Route One.

Mineral Property Review

This review has been prepared by John Black, CEO and Director of the Company. The scientific and technical data contained in the section pertaining to the AntaKori project has been reviewed and approved by Dr. Stewart D. Redwood, BSc (Hons), PhD, FIMMM, FGS, Geologist AntaKori Project, and a qualified person (QP) under the definitions of National Instrument 43-101. The scientific and technical data contained in the section pertaining to the Argentinean, US and Canadian projects has been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.

The Company owns, or has the right to acquire controlling interests in, a project located in Peru (the AntaKori Property), a project located in Argentina (the Rio Grande Property) and the right to acquire an interest in a project located in Nevada (the Golden Brew Property). The Company also holds a project in Chile, and several other early stage prospects in northwestern Argentina and Canada.

AntaKori Project

The flagship project for Regulus is the AntaKori Cu-Au-Ag project located in northern Peru. This project has a NI 43-101 inferred resource of 294.8 million tonnes grading 0.48% Cu, 0.36 g/t Au and 10.16 g/t Ag (please refer to Southern Legacy Minerals news release of July 3, 2012 and Table 1 below). The resource, based on 17,952 m of drilling, is only reported for the portion of the mineralized system that is owned or controlled by Regulus, and is open for expansion in several directions.

Resource Type	Inferred Category						
	Tonnes millions	Au (g/t)	Cu (%)	Ag (g/t)	Au (M ozs)	Cu (B lbs)	Ag (M ozs)
In-Pit	125.4	0.25	0.28	6.6	1.0	0.8	26.6
Underground	169.4	0.44	0.63	12.8	2.4	2.4	69.6
Total	294.8	0.36	0.48	10.2	3.4	3.1	93.3

i) Estimates were calculated using Inverse Distance Squared method
ii) Estimates were calculated within a Whittle Pit and limited to Southern Legacy Peru's property mineral tenure
iii) In-pit cut-off grade of 0.2% Cu equivalent
iv) Underground resources assume Block Caving at 0.5% Cu equivalent cut-off
v) Metal prices utilized for estimate were US\$1,500/oz Au, US\$25/oz Ag and US\$3.50/lb Cu

AntaKori Overview

The AntaKori project is located in northern Peru and hosts a large Cu-Au-Ag skarn system with associated breccias and porphyry-style mineralization developed in sedimentary and intrusive rocks, and an overprint of epithermal, high-sulphidation mineralization in the overlying volcanic rocks. A NI 43-101 technical report entitled "Technical Report – Southern Legacy Minerals Inc., - AntaKori Project, Peru", dated July 2, 2012 and prepared by Scott E. Wilson, C.P.G. was filed on SEDAR and can be viewed at www.sedar.com under the profile "Southern Legacy Minerals Inc.". The NI 43-101 technical report reports an inferred resource of 294.8 million tonnes grading 0.48% Cu, 0.36 g/t Au and 10.16 g/t Ag (see Table 1 above and refer to the Southern Legacy Minerals news release of July 3, 2012). The resource is based on 17,952 m of drilling, is only reported for the portion of the mineralized system that is owned or controlled by the Company, and is open for expansion in several directions.

The AntaKori Cu-Au-Ag project is located 60 km north of the city of Cajamarca in the Hualgayoc District, northern Peru. The project is located in a world-class Au-Cu province which hosts a number of nearby deposits, as described below.

- Immediately adjacent to the producing Tantauatay Gold Mine (Buenaventura-Southern Copper)
- 7 km to the NW of the Cerro Corona Gold-Copper Mine (Goldfields)
- 35 km to the NW of the Yanacocha Gold Mine (Newmont-Buenaventura)
- 40 km to the SE of the La Granja Porphyry Copper deposit (Rio Tinto)
- 50 km to the NW of the Michiquillay Porphyry Copper deposit (recently auctioned by the Peruvian Government to Southern Copper)

Highlights of the AntaKori Project include the following:

- The Company owns or controls 20 mineral concessions, for a total of 289 hectares, which cover most, but not all of the currently known AntaKori mineralized system. Further consolidation of mineral tenure is in process.
- A total of 17,952 m of drilling was completed in 70 drill holes (22 reverse circulation drill holes and 48 diamond drill holes) by previous operators.
- An Independent NI 43-101 report has documented a large Cu-Au-Ag skarn system with associated mineralized breccias and porphyry-style mineralization hosted in sedimentary and intrusive rocks, and associated epithermal, high-sulphidation mineralization in the overlying volcanic rocks.
- Zones of mineralization have been intercepted by the previous drilling within large geophysical anomalies, thus confirming the utility of the geophysics used in identifying future exploration targets.
- Indication that the mineralized system is open in all directions, and has potential for expansion through future exploration programs.

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The scope of the mineralized system at AntaKori offers significant upside potential but it will require several years and extensive drilling to better define this project.

The project is being explored under definitive agreements with Compañía Minera Coimolache S.A. ("Coimolache") (the "Coimolache DA") and Compañía Minera Colquirrumi S.A. ("Colquirrumi") (the "Colquirrumi DA"), companies that hold mineral concessions immediately adjacent to, and inter-fingering with AntaKori. These agreements allow for mutual access, mutual rights of expansion and collaborative exploration of the project area, providing benefit to all three parties. Coimolache is a mining company that owns and operates the Tantahuatay gold-silver mine immediately adjacent to the southern margin of AntaKori. The principal shareholders of Coimolache are Compañía de Minas Buenaventura S.A.A. ("Buenaventura" – 40% and operator) and Southern Peru Copper S.A.A. (44%). The Coimolache DA allows for mutual access, mutual rights of expansion and collaborative exploration with a principal objective of determining the size and nature of the AntaKori copper-gold deposit and a secondary objective of allowing the expansion of Coimolache's Tantahuatay oxide gold mine by way of lay-back onto Regulus' mining concessions. Colquirrumi is a wholly owned subsidiary of Buenaventura. The Colquirrumi DA allows Regulus an option to earn-in to up to a 70% interest in a large area (2,571 hectares) of Colquirrumi mining concessions located immediately to the north and east of Regulus' mining concessions and also providing Colquirrumi with an option to claw-back to a 70% interest by making a cash payment to Regulus.

Regulus commenced drilling at AntaKori in April 2017 with an objective to confirm and extend the known mineralization. The initial phase of drilling is planned to be approximately 18,000 m which will roughly double the total drilling at the project.

Significant Results During the Current Period to the Date of this Report

In November 2017, the Company announced the results from drill holes: AK-17-003A, drilled by Regulus, and parts of DHSF17-161 and DHSF17-164, drilled by Coimolache onto Regulus mineral concessions (see news release dated November 30, 2017 at www.regulusresources.com).

AK-17-003A (938.1m) and DHSF17-161 (689m) were completed to targeted depths and cut both epithermal and skarn styles of mineralization, with well-developed skarn in the underlying Cretaceous calcareous sedimentary sequence. DHSF17-164 (303.8m) is a shallow hole that only crossed Regulus concessions for the interval from 78.9-109.7m depth within Miocene volcanic rocks. The more significant results from these three holes are listed below.

Highlights from drill holes AK-17-003A, DHSF17-161 – AntaKori Project:

- DHSF17-161: 323.4 m with 0.52% Cu, 0.15 g/t Au and 8.28 g/t Au from 266.6 m depth
 - including 110.5 m with 0.67% Cu, 0.20 g/t Au and 11.81 g/t Ag
 - including 27.55 m with 1.03 % Cu, 0.24 g/t Au and 21.63 g/t Ag
 - including 53.00 m with 1.10% Cu, 0.23 g/t Au and 13.25 g/t Ag
 - including 28.00 m with 1.77 % Cu, 0.35 g/t Au, 20.94 g/t Ag and 0.77% Zn
 - All mineralization as skarn with relatively low As contents
 - 400 m step out from any previous drilling on Regulus concessions
- AK-17-003A: 596.6 m with 0.35% Cu, 0.24 g/t Au and 5.49 g/t Ag from 241.1 m depth
 - including 144.7 m with 0.63% Cu, 0.57 g/t Au and 9.42 g/t Ag (epithermal high sulphidation mineralization)
 - including 51.9 m with 0.95% Cu, 0.98 g/t Au and 8.18 g/t Ag
 - including 107.5 m with 0.28% Cu, 0.15 g/t Au and 7.07 g/t Ag (skarn mineralization)
 - including 119.0 m with 0.34% Cu, 0.15 g/t Au and 2.08 g/t Ag (skarn mineralization)

In April 2018, the Company announced the results from six additional drill holes: AK-17-004 to AK-17-009 (see news release dated April 13, 2018 at www.regulusresources.com).

Highlights from drill holes AK-004 through AK-009 – AntaKori Project:

- AK-17-006:
 - 31.37 m with 1.91% Cu, 0.11 g/t Au and 4.05 g/t Ag (2.03% CuEQ) from 99 m depth (where hole enters Regulus ground)
 - High-sulphidation style mineralization in Miocene volcanic sequence
 - 326 m with 0.35% Cu, 0.34 g/t Au and 23.44 g/t Ag from 266.5 m depth (0.81% CuEQ)
 - including 102.68 m with 0.47 % Cu, 0.52 g/t Au and 13.52 g/t Ag (0.96% CuEQ)
 - Skarn and breccia style mineralization with lower As contents

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- AK-18-007:
 - 387.75 m with 0.41% Cu, 0.18 g/t Au and 7.82 g/t Ag (0.61% CuEQ) from 219 m depth
 - including 200.25 m with 0.61 % Cu, 0.22 g/t Au and 10.77 g/t Ag (0.85% CuEQ)
 - at 730.83 m depth the hole exits Regulus ground and enters into Compania Minera Coimolache ground. The final portion of the hole in Regulus ground consists of strongly brecciated and veined Farrat Formation quartzite, with the final 4.60 m interval in Regulus ground averaging 0.79% Cu, 0.23 g/t Au and 3.99 g/t Ag (0.99% CuEQ) with elevated Mo contents.
- AK-18-008:
 - 437.35 m with 0.45% Cu, 0.18 g/t Au and 4.95 g/t Ag (0.62% CuEQ) from 84 m depth
 - including 81 m with 1.03 % Cu, 0.26 g/t Au and 6.67 g/t Ag (1.28% CuEQ)
 - 237.6 m with 0.38% Cu, 0.14 g/t Au and 2.68 g/t Ag (0.50% CuEQ) from 595 m depth
- AK-18-009:
 - 258.09 m with 0.43% Cu, 0.29 g/t Au and 4.62 g/t Ag (0.68% CuEQ) from 8 m depth
 - including 101.04 m with 0.65 % Cu, 0.44 g/t Au and 7.85 g/t Ag (1.03% CuEQ)
 - High-sulphidation epithermal style mineralization in Miocene volcanic sequence
 - 145.48 m with 0.70% Cu, 0.42 g/t Au and 11.97 g/t Ag (1.11% CuEQ) from 288 m depth
 - Well developed skarn with lower As contents
 - The above two intervals are separated by a 22 m interval of post-mineral dike
 - Drill hole was lost at 433.35 m in well mineralized skarn

In July 2018, the Company announced the results from four additional drill holes: AK-18-010 to AK-18-013 (see news release dated July 11, 2018 at www.regulusresources.com).

Highlights from drill holes AK-010 through AK-013 – AntaKori Project:

- AK-18-010:
 - 327.35 m with 0.91% Cu, 0.44 g/t Au and 9.84 g/t Ag (1.31% CuEQ) from 293 m depth including:
 - 65.22 m with 1.86 % Cu, 1.03 g/t Au and 21.95 g/t Ag (2.80% CuEQ) from 310 m depth
 - High-sulphidation style mineralization in Miocene volcanic sequence
 - 140.41 m with 1.03% Cu, 0.41 g/t Au and 8.22 g/t Ag (1.39% CuEQ) from 480 m depth
 - Skarn with strong phyllic overprint and low As contents
- AK-18-012:
 - 222.10 m with 0.41% Cu, 0.22 g/t Au and 7.55 g/t Ag (0.64% CuEQ) from 24 m depth
 - High-sulphidation style mineralization in Miocene volcanic sequence
- AK-18-013:
 - 537.40 m with 0.49% Cu, 0.23 g/t Au and 6.31 g/t Ag (0.71% CuEQ) from 126.50 m depth including:
 - 185.00 m with 0.76% Cu, 0.26 g/t Au and 6.85 g/t Ag from 126.50 m depth (1.00% CuEQ)
 - High-sulphidation style mineralization in Miocene volcanic sequence
 - 352.40 m with 0.35% Cu, 0.21 g/t Au and 6.03 g/t Ag from 311.50 m depth (0.56% CuEQ)
 - Skarn and breccia style mineralization with lower As contents

In August 2018, the Company announced the results from three additional drill holes: AK-18-014 to AK-18-016 (see news release dated August 8, 2018 at www.regulusresources.com).

Highlights from drill holes AK-18-014 through AK-18-016 – AntaKori Project:

- AK-18-014:
 - 713.99 m with 0.68% Cu, 0.38 g/t Au and 7.59 g/t Ag (1.02% CuEQ) from 4.7 m depth
Including:
 - 387.69 m with 0.99% Cu, 0.51 g/t Au and 10.56 g/t Ag (1.45% CuEQ) from 331 m depth
 - Mineralized skarn with local HS overprint along structures
Which further includes:
 - 130.85 m with 1.74% Cu, 0.65 g/t Au and 15.67 g/t Ag (2.34% CuEQ) from 481.9 m depth

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- Mineralized skarn locally overprinted by HS structures and from 590 m locally overprinted by late, porphyry-related phyllic alteration
- AK-18-015:
 - 396.03 m with 0.59% Cu, 0.46 g/t Au and 14.68 g/t Ag (1.05% CuEQ) from 129.46 m depth
Including:
 - 81.10 m with 1.00% Cu, 0.68 g/t Au and 27.23 g/t Ag (1.74% CuEQ) from 229.40 m depth
 - High-sulphidation style mineralization in Miocene volcanic sequence
 - And:
 - 70.10 m with 0.97% Cu, 1.18 g/t Au and 23.85 g/t Ag (2.02% CuEQ) from 335.31 m depth
 - Mixed interval with HS mineralization in Miocene volcanic sequence and mineralized skarn in the underlying Cretaceous sedimentary sequence
- AK-18-016:
 - 136.60 m with 2.50% Cu, 1.62 g/t Au and 10.57 g/t Ag (3.75% CuEQ) from 107.30 m depth
 - High-sulphidation style mineralization in Miocene volcanic sequence
 - Including:
 - 11.15 m with 8.74% Cu, 5.17 g/t Au and 51.88 g/t Ag (12.90% CuEQ) from 223.70 m depth
Which further includes:
 - 2.15 m with 24.49% Cu, 16.65 g/t Au and 161.58 g/t Ag (37.83% CuEQ) from 232.70 m depth
 - Massive enargite-bornite-pyrite-covellite vein

The 18,000+ metre Phase One drill program will systematically drill out and extend the previous resource at AntaKori on approximately 150 m centers with a few more closely spaced holes to help determine the geometry of geologic units and the spatial variation of mineralization. The objective of the Phase One drill program is to confirm and extend the previously reported mineralization with an updated resource estimate to be completed by the end of this year. Please see the Company's website which provides more details regarding the mineralized intercepts encountered in the drill holes described above.

Puchuldiza Overview

The Puchuldiza Au project is 100% owned by the Company and is located 230 km NW of Iquique in the Comuna de Colchane, Tamarugal Province, Region I, Chile. The Puchuldiza project belongs to a class of gold deposits called "hot spring gold deposits". A total of 35 diamond drill holes (6,097 m) have been completed at the Puchuldiza project by previous operators and form the basis for an initial NI 43-101 inferred resource estimate of 30 Mt @ 0.71 g/t Au (using a cut-off grade of 0.5 g/t Au) for a total of 686,000 contained ounces of Au (see the NI 43-101 Technical Report, Pulchuldiza Project, 1 Region, Chile, dated May 15, 2011 under the Southern Legacy Minerals profile at www.sedar.com).

The Company is required to pay a royalty of 1.5% of the net smelter return from commercial production up to a cumulative total of US\$5,000,000. The Company completed an initial field review of this project in 2015 with emphasis on determination of potential for higher grade mineralization and to better understand the social and environmental setting of the project. Based upon this review, the Company does not plan any significant work on this project in the near future. Accordingly, all previous exploration expenditures on this project (\$1,771,466) have been written-off. The Company has subsequently determined that it will relinquish the property and is currently evaluating the most efficient manner to do so with consideration to potential recovery of tax credits. During the period ended June 30, 2018, the Company wrote off exploration expenditures of \$Nil (2017 - \$78,938).

Golden Brew Overview

The Company has an option agreement with Highway 50 Gold Corp. to earn a 50% interest in the Golden Brew Project in central Nevada by expending US\$5.0 million on exploration over a five-year period. Upon earn-in the parties will form a joint venture on a 50/50 basis. A minimum US\$500,000 firm commitment in the first year was delayed by Force Majeure when the permitting process for the project was slowed as the requisite agencies dealt with a request by the U.S. Fish and Wildlife Service to have the Sage-Grouse designated as a species of interest. The Company received guidance from U.S. Forest Service personnel that noise restriction parameters will be observed within 3 miles of active Sage-Grouse mating grounds ("Leks") between the dates of March 1 and June 30. An active Lek is located within this distance from planned exploration activities at the Property. The Company received the final permit allowing the parties to commence drilling on August 1, 2017. As such, the firm commitment of US\$500,000 in exploration expenditures was due 120 days from August 1, 2017 (obligation met by September 30, 2017) with all subsequent annual work commitments deferred accordingly. An additional work commitment of US\$1,000,000 in exploration expenditures must be completed by November 28th, 2018 to maintain the option agreement in good standing for a total of US\$1,500,000 in expenditures by that date.

Golden Brew is located at the intersection of the southern flank of the Eastgate volcanic trough and the Western Nevada rift in north-central Nevada. Gold mineralization at Golden Brew is hosted within jasperoid and silicified breccias over a strike length of 2,500 feet and widths up to 200 feet. The jasperoid is developed in thin-bedded limestones and limey siltstones and is anomalous in Carlin-type pathfinder elements of arsenic, antimony and mercury with gold values ranging from 0.1 grams/tonne to 4 grams/tonne. The priority

target on the property is the edges of a structural horst block located one mile outboard of the jasperoid outcrop under shallow to moderate thicknesses of pediment cover. Drilling in 2011 intersected a 150 foot section of elevated arsenic and antimony at the south-east corner of the horst block within the favorable carbonate section. The horst block is coincident with the projected intersection of a set of crustal scale structures and a strong magnetic low. This magnetic low may reflect magnetic destruction of alteration related to the mineralizing system. Drilling will focus on the northeastern and southeastern structural corners of the horst block, areas of gravity lows within the gravity high. Gravity lows in this setting may be a function of alteration (decalcification) related to Carlin-type gold mineralization. The targeted areas straddle the boundary between lands administered by the Bureau of Land Management (BLM) and the US Forest Service.

In January 2018, the Company announced the results of the 2017 five hole reverse circulation drill program comprised of 2,939 metres (9,640 feet). Drilling at Golden Brew is testing a Carlin type arsenic-antimony-gold system located within an uplifted horst block on the western edge of a shallowly buried Lower-plate Window. The area of interest is outboard of a large zone of auriferous (to 4 g/t gold) jasperoid exposed on the lower slopes of the Toiyabe Mountain Range. Bedrock was intersected in all holes beneath 207 to 466 metres (680 to 1,530 feet) of postmineral valley fill. Drilling was widely spaced, targeting zones of structural complication, gravity lows, and magnetic lows as indicated by geophysical surveys. All the drill holes intersected deeply oxidized sections of thin-bedded silty limestone with oxidation consisting of pervasive limonite/hematite staining and accompanied by local weak to moderate decalcification. Locally, this alteration has highly elevated values in arsenic (to 828 ppm) and antimony (to 812 ppm) with anomalous gold (to 67 ppb). Of note, drill hole GBR-17-07 in the southwest corner of the area intersected a zone of pyritic carbonaceous gouge from 1,980 feet to 2,000 feet, which has highly anomalous arsenic (to 829 ppm), antimony (to 130 ppm), and elevated gold (to 55 ppb). This hole bottomed in mineralization.

In summary, drilling to date at Golden Brew has established a substantial area of altered, oxidized and mineralized thin-bedded silty limestones – favourable hosts for Carlin-style mineralization, within a structurally complex Lower-plate Window. Mineralization here exhibits all the characteristics of a large Carlin-type system. Based upon the results, follow-up drilling is warranted. The Company is currently re-interpreting existing geophysical data as well as studying alteration features with a view to directing future drilling.

Rio Grande Overview

During the period, Roscoe Postle Associates Inc. ("RPA") was retained by Regulus to prepare an independent Technical Report on the Rio Grande Project (the "**Rio Grande Project**"), located in Salta Province, northern Argentina. The purpose of this report is to support the disclosure of the updated Mineral Resource estimate for the Rio Grande Project. This Technical Report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). RPA visited the Property from August 8 to 14, 2017. The entire Rio Grande Report may be obtained through the SEDAR website at www.sedar.com and is hereby specifically incorporated by reference and forms an integral part of this information appendix. For detailed information on the Rio Grande Property, including maps, please refer to the Rio Grande Report as filed on SEDAR at www.sedar.com as well as the Regulus website (www.regulusresources.com). Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the Rio Grande Report. This summary is qualified in its entirety by the full Rio Grande Report.

Regulus' 100% owned Rio Grande copper-gold-silver property is located in the Altiplano of northwest Argentina at elevations between 3,700 m and 4,700 m above sea level. The Property is located approximately 260 km west of the city of Salta and 40 km east of the Chilean border.

In December 2010, a spin-out transaction was completed by means of a Plan of Arrangement, in which Antares Minerals Inc. (Antares) transferred, assigned, and conveyed to Regulus all of Antares' rights of title to and interest in the Rio Grande Project along with \$5,000,000 in cash. Regulus shares were subsequently distributed to Antares' shareholders in accordance with the terms of the Plan of Arrangement. Regulus formed a new Joint Venture with a subsidiary of Pachamama Resources Inc. ("**Pachamama**") for exploration of the Property. In early 2012, Regulus and Pachamama merged and consolidated 100% ownership of the Rio Grande Project into Regulus.

Exploration work has been carried out on the Property since the discovery of the deposit in 1999. Regulus and its predecessor companies have worked on the property since 2004. To date, 129 holes totaling approximately 74,201 m have been drilled on the Property. An initial Mineral Resource estimate was prepared in 2012.

RPA updated the Rio Grande Mineral Resource estimate based on the information available to August 17, 2018. Mineral Resources are based on a potential open pit scenario with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types.

The Mineral Resource estimate prepared by RPA for the Rio Grande Project as of August 17, 2018 is summarized in the table below. Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions) were followed for Mineral Resources.

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Regulus Resources Inc. – Rio Grande Project Summary of Mineral Resources – August 17, 2018							
Class/Oxidation	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlb)	Au (koz)	Ag (Moz)
Indicated							
Oxide	46.4	0.27	0.33	2.5	274.2	492	3.8
Transition	24.6	0.36	0.41	4.4	194.3	323	3.5
Indicated Total	71.0	0.30	0.36	3.2	468.6	815	7.3
Inferred							
Oxide	32.4	0.21	0.27	2.6	153.3	281	2.7
Transition	8.6	0.29	0.34	3.5	55.1	93	1.0
Inferred Total	41.0	0.23	0.28	2.8	208.4	375	3.6
<p>Notes:</p> <ol style="list-style-type: none"> 1. CIM (2014) definitions were followed for Mineral Resources. 2. Mineral Resources are estimated at a NSR cut-off grade of US\$8.00/t for Oxide, US\$12.00/t for Transition and US\$7.50/t for Sulphide. No sulphide material was captured in resource shell. 3. Mineral Resources are estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound. 4. Bulk density is 2.41 t/m³ oxide, 2.50 t/m³ oxide, and 2.62 t/m³ sulphide. 5. Numbers may not add due to rounding. 6. Mineral Resources are reported within a preliminary open pit resource shell. 							

RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Conclusions

Based on the site visit and subsequent review, RPA offers the following conclusions:

- Indicated Mineral Resources, effective as of August 17, 2018, comprise 71 Mt at grades of 0.30% Cu, 0.36 g/t Au, and 3.2 g/t Ag containing 469 Mlb of copper, 815 koz of gold, and 7.3 Moz of silver.
- Inferred Mineral Resources, effective as of August 17, 2018 comprise 41 Mt at grades of 0.23% Cu, 0.28 g/t Au, and 2.8 g/t Ag containing 208 Mlb of copper, 375 koz of gold, and 3.6 Moz of silver.
- Regulus has identified four targets for exploration with the sulphate-rich/sulphide-bearing system (SRSB) target designated the highest priority.
- The sample preparation, analysis, and security procedures at the Property are adequate for use in the estimation of Mineral Resources.
- The quality assurance/quality control (QA/QC) program as designed and implemented by Regulus is adequate and the assay results within the database are suitable for use in a Mineral Resource estimate. Grades of selected certified reference materials (CRM) are appropriate.
- The database verification procedures for the Rio Grande Project generally comply with industry standards and are adequate for the purposes of Mineral Resource estimation.
- Some viable process options were investigated for copper and gold recovery, but a definitive processing route for the Rio Grande mineralization has not been determined yet and additional metallurgical studies are required.

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Recommendations

Drilling and exploration activities at the Rio Grande Project have outlined potentially economic mineralization and a number of exploration targets that warrant further work.

RPA recommends a Phase 1 budget composed of two parts:

- A 7,500 m drilling program for the Rio Grande Sofia zone consisting of shallow infill drill holes. The budget also includes metallurgical test work to support the completion of more advanced studies on the Rio Grande Project.
- An 8,000 m drilling program consisting of four 2,000 m drill holes aimed at targeting Cu-Au sulphide mineralization at depth.

RPA recommends a Phase I budget of \$9,100,000 for exploration work to support the completion of a Phase II Preliminary Economic Assessment (PEA) (table below). The recommended Phase II budget would be contingent on the Phase I results.

Regulus Resources Inc. – Rio Grande Project Proposed Budget	
Item	Cost (US\$)
Infill Drilling	
7,500 m of Drilling	2,300,000
General Support and Administration costs	700,000
Metallurgical testing	200,000
Contingency (10%)	300,000
Sub-Total	3,500,000
Deep Drilling	
8,000 m of Drilling	4,000,000
General Support and Administration costs	1,100,000
Contingency (10%)	500,000
Sub-Total	5,600,000
Grand Total	9,100,000

In addition, RPA offers the following recommendations:

- Insert coarse and pulp duplicates into the sample stream.
- Monitor QA/QC results on an on-going basis and send pulp duplicates to a secondary laboratory with blanks and CRMs.
- Increase the QA/QC controls to 10%, and document the QA/QC analysis on an annual basis or by drilling campaign.
- Carry out and document the data verification programs periodically.
- Perform additional metallurgical test work to define a process flowsheet for the Rio Grande Project and to confirm the metallurgical recoveries at each process stage. Mineralogical analysis and characterization of the feed and products from test work should also be considered and samples that are spatially representative of the deposit should be selected and used in **test work**.

Other Projects Overview

The early stage properties that will be transferred to Aldebaran pursuant to the Arrangement are summarized below:

Property	Location	Ownership	Hectares
Aguas Calientes	Jujuy Province, Argentina	100%	2,700
Catua	Jujuy Province, Argentina	100%	900
El Camino	Salta Province, Argentina	100%	4,100
La Frontera	Catamarca Province, Argentina	100%	1,200
Oscara	Salta Province, Argentina	100%	19,004
Total			27,904

Aguas Calientes, Argentina

The Aguas Calientes property is located in northwestern Argentina in Jujuy Province, 25 kilometres northwest of the village of San Antonio de Los Cobres and 130 kilometres west of the city of Salta. Aguas Calientes hosts epithermal precious metals mineralization in Tertiary volcanic rocks. Two distinct zones of alteration and mineralization have been identified and are characterized by abundant, well-mineralized float boulders in zones of silica-sericite-clay alteration. The boulders are strongly silicified and given their distribution, size and angularity, it is likely that they reflect a nearby source in the underlying bedrock. Gold values from the float boulders are commonly in the 0.5 to 5 g/t range but are locally as high as 41 g/t and are accompanied by significant silver. The project has had limited previous drilling (2,818 m in 20 drill holes by previous operators) but Regulus believes that drilling was not focused in the correct areas and that a significant target remains. The project has drill ready targets and is permitted for a drill program.

Catua, Argentina

The Catua property is a copper prospect in Jujuy Province, northwestern Argentina, 6 kilometres from the Chilean border and 220 kilometres northwest of the city of Salta. Access is by all weather road.

El Camino, Argentina

The El Camino property is an iron-oxide-copper-gold prospect located 380 kilometres northwest of the city of Salta, northwest Argentina. Access from Salta is by good paved roads for the first 150 km and by all-weather dirt roads for the remaining part to La Casualidad Mine. Access to the property from this location is presently facilitated over a 2 kilometres long rough dirt track. The total travelling time from Salta is about 8 hours.

La Frontera, Argentina

The La Frontera property is a low sulphidation style silver-gold prospect located 320 kilometres west southwest of the city of Salta, in northwest Catamarca Province, Argentina. Access is by 75 kilometres of rough 4 x 4 or quad trail from the south end of the Salar Rio Grande.

Oscara, Argentina

The Oscara copper-gold-iron-oxide prospect located in the Puna region of Salta Province in northwestern Argentina. The area is accessible all year round through a good gravel road. The Oscara prospect comprises 6 mining properties owned 100% by Regulus. Copper-Au occurrences, with elevated Fe-(Mo-Ba-Bi-Co) anomalies, are found widespread over the entire property. These manifestations are hosted in rocks from Early to Late Paleozoic age, and are associated to broad zones with well-developed albite, K feldspar, hematite and chlorite-magnetite-epidote alteration. Also, multiple and widespread structures of copper mineralization are commonly found crosscutting and cementing poorly consolidated Tertiary sediments.

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The other property that will not be transferred to Aldebaran pursuant to the Arrangement is summarized below:

Fireweed, British Columbia, Canada

The Fireweed Property is a polymetallic Ag, Zn, Pb, Cu, Au prospect of massive sulphide and sulphide replacement type mineralization located in central British Columbia, approximately 55 km east-northeast of the city of Smithers. The property is 10 km northwest former Granisle Mine, 5 km west of the former Bell Copper Mine, and 17 km southwest of the undeveloped Morrison deposit. The Fireweed property is the only property held by Regulus Resources in Canada and management is currently looking to option the project to a third party.

Outlook for 2018

Exploration activities will continue to focus primarily on the AntaKori project in 2018. The Company has completed 16,000 metres of the current 18,000+ metre drill program at AntaKori as of August 29, 2018. Management has decided to continue with three drill rigs at the project and anticipates operating with three rigs throughout the remainder of this year and all of next year. Completion of the 18,000+ metre drill program is expected at the end of September 2018, and the results of this program will be incorporated into a revised NI 43-101 resource estimation report anticipated by early Q1-2019. Subject to availability of funding, drilling is planned to continue directly into a subsequent program of approximately 25,000 to 35,000 metres to be concluded by Q3-2019, with a corresponding updated resource estimate completed by the end of 2019.

The Company is currently reviewing the results from the 2017 drill program at the Golden Brew project and will be re-interpreting existing geophysical data as well as studying alteration features to help design a program of additional drilling. Completion of additional drilling will be subject to approval from the Board of Directors.

Operations and Financial Condition

Results of Operations for the Nine Months Ended June 30, 2018 Compared to the Nine Months Ended June 30, 2017

During the nine months ended June 30, 2018, loss from operating activities was \$2,282,638 compared to loss from operating activities of \$2,441,979 for the nine months ended June 30, 2017. Significant variances from the same period in the prior year are as follows:

- A decrease of \$1,240,087 in share-based compensation. Share-based compensation was \$245,054 for the period ended June 30, 2018 compared to \$1,485,141 for the period ended June 30, 2017 due to the timing of vesting of stock options issued in December 2014, September 2016, and December 2017.
- An increase of \$83,701 in consulting fees and an increase of \$85,344 in investor relations and shareholder information. Consulting fees were \$141,288 for the period ended June 30, 2018 compared to \$57,587 for the period ended June 30, 2017 and investor relation and shareholder information were \$125,338 for the period ended June 30, 2018 compared to \$39,994 for the period ended June 30, 2017 due to a higher volume of activities related to the arrangement agreement to spin out the Argentine assets.
- A gain of \$1,034,261 on foreign exchange for the period ended June 30, 2018 compared to \$1,377,131 for the period ended June 30, 2017. The difference was mainly the result of fluctuations of the US\$, the Argentinian Peso, the Chilean Peso, the Peruvian Nuevo Sol and the CAD\$ in the current period as compared to the prior period.

Results of Operations for the Three Months Ended June 30, 2018 Compared to the Three Months Ended June 30, 2017

During the three months ended June 30, 2018, loss from operating activities was \$1,308,538 compared to loss from operating activities of \$1,521,678 for the three months ended June 30, 2017. Significant variances from the same period in the prior year are as follows:

- A decrease of \$248,707 in share-based compensation. Share-based compensation was \$46,429 for the period ended June 30, 2018 compared to \$295,136 for the period ended June 30, 2017 due to the timing of vesting of stock options issued in December 2014, September 2016, and December 2017.
- An increase of \$88,347 in consulting fees and an increase of \$31,216 in investor relations and shareholder information. Consulting fees were \$106,942 for the period ended June 30, 2018 compared to \$18,595 for the period ended June 30, 2017 and investor relation and shareholder information were \$41,520 for the period ended June 30, 2018 compared to \$10,304 for the period ended June 30, 2017 due to a higher volume of activities related to the arrangement agreement to spin out the Argentine assets.

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- A loss of \$33,050 on foreign exchange for the period ended June 30, 2018 compared to \$481,294 for the period ended June 30, 2017. The difference was mainly the result of fluctuations of the US\$, the Argentinian Peso, the Chilean Peso, the Peruvian Nuevo Sol and the CAD\$ in the current period as compared to the prior period.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$963,835 for the period ended June 30, 2018 compared to cash outflow of \$1,091,876 for the period ended June 30, 2017. The change was the cumulative result of several variations in the items affecting cash flow from operations as discussed above under "Results from Operations".

Financing Activities

Cash inflow from financing activities was \$4,902,138 for the period ended June 30, 2018 compared to \$126,123 for the period ended June 30, 2017. The increase in cash inflow results primarily from proceeds received from exercise of options and warrants during the current period.

Investing Activities

Cash outflow from investing activities was \$9,354,296 for the period ended June 30, 2018 compared to \$2,445,911 for the period ended June 30, 2017. The increase in cash outflow results primarily from an increase in expenditures on exploration and evaluation assets in the current period compared to the prior period.

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters.

All in \$1,000's except loss (gain) per share	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Working capital (deficiency)	\$(3,124)	\$617	\$4,297	\$4,604
Loss (gain)	\$1,309	\$392	\$582	\$1,051
Loss (gain) per share	\$0.02	\$0.01	\$0.01	\$0.01
Loss (gain) per common share (diluted)	\$0.02	\$0.01	\$0.01	\$0.01
Total assets	\$35,880	\$34,061	\$34,158	\$31,592
Total liabilities	\$4,471	\$2,696	\$2,360	\$2,674
Deficit	\$67,948	\$66,639	\$66,247	\$65,665

All in \$1,000's except loss (gain) per share	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Working capital (deficiency)	\$8,085	\$10,004	\$11,375	\$12,311
Loss (gain)	\$1,522	\$(516)	\$1,437	\$2,761
Loss (gain) per share	\$0.02	\$0.01	\$0.02	\$0.04
Loss (gain) per common share (diluted)	\$0.02	\$0.01	\$0.02	\$0.04
Total assets	\$30,654	\$32,019	\$32,495	\$33,542
Total liabilities	\$1,577	\$1,682	\$1,988	\$2,666
Deficit	\$64,615	\$63,093	\$63,609	\$62,173

Liquidity and Capital Resources

Cash at June 30, 2018 totaled \$427,708 compared to \$6,815,719 at September 30, 2017. Working capital deficiency at June 30, 2018 was \$3,124,312 compared to working capital of \$4,604,128 as at September 30, 2017. Management is currently completing a private placement financing in the Company to provide sufficient capital for the next 12 months or longer (see above under "Private Placement Financing"). There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing.

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Exploration and evaluation of assets at June 30, 2018 totaled \$33,784,487 compared to \$23,664,855 as at September 30, 2017

During the period ended June 30, 2018, the Company received proceeds of \$1,158,750 from the exercise of 2,575,000 options at a price of \$0.45 per option.

During the period ended June 30, 2018, the Company received proceeds of \$3,743,388 from the exercise of 5,330,555 warrants at a price of \$0.70 per warrant and 7,500 warrants at a price of \$1.60 per warrant.

Subsequent to the period ended June 30, 2018, the Company received proceeds of \$423,000 from the exercise of 940,000 options at a price of \$0.45 per option.

Subsequent to the period ended June 30, 2018, the Company received proceeds of \$2,166,998 from the exercise of 1,354,374 warrants at a price of \$1.60 per warrant.

Subsequent to the period ended June 30, 2018, the Company received loan proceeds of \$460,217 (US\$350,000) from the CEO of the Company. The loan bears interest of 10% per annum, is unsecured, and is repayable on September 30, 2018.

Subsequent to the period ended June 30, 2018, the Company received loan proceeds of \$800,000 from the CFO of the Company. The loan bears interest of 10% per annum, is unsecured, and is repayable on September 30, 2018.

Subsequent to the period ended June 30, 2018, the Company received loan proceeds of \$300,000 from the CGO of the Company. The loan bears interest of 10% per annum, is unsecured, and is repayable on September 30, 2018.

The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had 79,096,096 common shares issued and outstanding.

Stock Options

Exercise Price	Number Outstanding	Expiry Date
\$ 0.45	723,334	December 13, 2019
\$ 1.50	2,100,000	September 2, 2021
\$ 1.84	100,000	December 28, 2022
\$ 2.00	50,000	Jul 11, 2023
	2,973,334	

Warrants

Exercise Price	Number Outstanding	Expiry Date
\$ 1.60	4,548,777	January 27, 2020
	4,548,777	

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Related Party Transactions

During the nine month period ended June 30, 2018, the Company entered into the following transactions with key management personnel and related parties.

- a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the nine month period ended June 30, 2018, DBD Resources was paid \$192,462 (2017 - \$146,897). Management services paid to DBD Resources are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss.

At June 30, 2018, the Company owed \$47,612 (September 30, 2017 - \$Nil) to DBD Resources and \$Nil (September 30, 2017 - \$27,377) to Mr. John Black for the expenses incurred in the normal course of the business.

- b) For the nine month period ended June 30, 2018, Mr. Fernando Pickmann, President, COO and a director of the Company, was paid or accrued \$168,404 in consulting fees (2017 - \$140,165). Consulting fees paid or accrued to Mr. Pickmann are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss. A law firm at which Mr. Pickmann was a partner was paid or accrued \$97,281 (2017 - \$239,726) for legal services. Legal fees paid to Mr. Pickmann's law firm are classified as legal expenses in the interim condensed consolidated statements of operations and comprehensive loss.

At June 30, 2018, the Company owed \$42,501 (September 30, 2017 - \$Nil) to Mr. Pickmann and owed \$3,285 (September 30, 2017 - \$756) to the law firm at which Mr. Pickmann was a partner.

- c) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the nine month period ended June 30, 2018, Unicus was paid \$37,500 (2017 - \$37,500). Management services paid to Unicus are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss.

At June 30, 2018, the Company owed \$8,750 (September 30, 2017 - \$Nil) to Unicus.

- d) The Rock Doctor Limitada ("Rock Doctor") is a private company controlled by Mr. Kevin Heather, Chief Geological Officer of the Company. For the nine month period ended June 30, 2018, Rock Doctor was paid \$192,462 (2017 - \$146,897). Amounts paid to Rock Doctor are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss.

At June 30, 2018, the Company owed \$32,990 (September 30, 2017 - \$Nil) to Rock Doctor.

- e) Two non-executive directors were paid \$32,105 (2017 - \$Nil) for professional services. Amounts paid to non-executive directors are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss.

At June 30, 2018, the Company owed \$32,990 (September 30, 2017 - \$Nil) to non-executive directors.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

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The remuneration of directors and other members of key management personnel during the periods ended June 30, 2018 and 2017 are as follows:

	Fees and Bonus	Share-based Benefits	Total
Nine months ended June 30, 2018			
Chief Executive Officer	\$ 192,462	\$ 18,872	\$ 211,334
Chief Operating Officer	168,404	18,872	187,276
Chief Financial Officer	37,500	18,872	56,372
Chief Geological Officer	192,462	18,872	211,334
Non-executive directors	32,105	37,744	69,849
	\$ 622,933	\$ 113,232	\$ 736,165
Nine months ended June 30, 2017			
Chief Executive Officer	\$ 146,897	\$ 141,106	\$ 288,003
Chief Operating Officer	140,165	141,106	281,271
Chief Financial Officer	37,500	141,106	178,606
Chief Geological Officer	146,897	141,106	288,003
Non-executive directors	-	282,212	282,212
	\$ 471,459	\$ 846,636	\$ 1,318,095

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

The Company also borrowed funds from certain officers subsequent to the period ended June 30, 2018 as detailed under Liquidity and Capital Resources.

Investor Relations

In April 2018, the Company executed an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin will be paid on an hourly basis up to USD\$2,500 per month and was granted 50,000 stock options of the Company at \$2.00 for a 5-year period under the terms and conditions of the Company's Stock Option Plan. The IR Agreement and the grant of options are subject to regulatory approval. Ms. Brangwin does not own any shares of Regulus.

Financial and Capital Risk Management

Please refer to the June 30, 2018 interim condensed consolidated financial statements on www.sedar.com.

Recent Accounting Policies

Please refer to the June 30, 2018 interim condensed consolidated financial statements on www.sedar.com.

Forward Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability

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claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; the volatility of the Company's common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).