



INV METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014

INTRODUCTION

The following 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 month period ended March 31, 2014, in comparison to the corresponding prior year. This MD&A is prepared as at May 8, 2014 and is intended to supplement and complement the condensed interim consolidated financial statements of INV Metals for the three month periods ended March 31, 2014 and 2013 (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 consolidated financial statements and the Annual Information Form ("AIF") in respect of the 2013 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" below). All references to dollars herein are in Canadian dollars unless otherwise specified.

COMPANY DESCRIPTION AND HIGHLIGHTS

INV Metals is an international mineral resource company focused on the acquisition, exploration and development of base and precious metals projects worldwide. The Company's material property is the 100% owned Loma Larga gold project, formerly named the Quimsacocha project ("Loma Larga", "Project" or "Property"), located in Ecuador, with additional exploration projects in Brazil and Namibia.

On March 6, INV Metals and IAMGOLD Corporation ("IAMGOLD") agreed to extend the Company's deadline to incur \$15 million in expenditures on Loma Larga to the earlier of March 6, 2016 or the completion and filing of a bankable feasibility study.

OUTLOOK

The Company's 2014 operating budget remains estimated at \$4.7 million, including pre-feasibility study ("PFS") and exploration expenditures of \$2.6 million at Loma Larga. Expenditures in the first quarter of the year have been in line with expectations.

The PFS is ongoing with mine planning and engineering design underway and INV Metals anticipates its completion in the first half of 2014. The PFS will include new resource estimates at higher cut-off grades, capital cost estimates, detailed mine plans, engineering studies and updated environmental studies.

Corporate and Project expenditures continue to be minimized to the extent possible until the results of the PFS have been received and approval is obtained for the qualification of the Loma Larga project under the new medium scale mining category.

The Company still awaits the release of the regulations for the "medium scale" mining category, however, the information released to-date indicates that underground production classified in this category would be limited to 1,000 tonnes per day and be subject to corporate income taxes, a 4% gold and by-product royalty, value added taxes, 5% employee profit sharing, and 10% state profit sharing for social development projects. As a medium scale mining project, the Project would not be subject to the same requirements as the large scale mining category, which includes negotiating an exploitation agreement, a minimum of 5-8% gold and by-product royalty, advanced royalties and windfall taxes.

See "Mineral Properties - Loma Larga (formerly Quimsacocha), Ecuador" for more details relating to the Project's budget and PFS.

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MINERAL PROPERTIES

In the three month period ended March 31, 2014 additions to exploration properties decreased to \$918,095, compared to \$1,130,390 in Q1/2013.

The following table sets forth a breakdown of material components of expenditures incurred at the Company's Loma Larga project:

	March 31, 2014	March 31, 2013
Opening balance,	\$ 29,666,879	\$ 23,287,047
Geology/geophysics/metallurgy	124,154	174,689
Pre-feasibility study	274,782	-
Drill contractors	-	20,739
Concession costs	154,327	136,764
Administration	210,431	248,318
Camp, community relations and field expenses	166,646	449,466
Exchange differences	1,023,987	480,829
	\$ 1,954,327	\$ 1,510,805
Closing balance	\$ 31,621,206	\$ 24,797,852

1) Loma Larga (formerly Quimsacocha), Ecuador

The PFS is expected to be completed by late June. The updated geological block model is finalized, while mine, process and environmental engineering design is currently underway. Capital costs estimation will begin once engineering and design are complete. Management estimates that the PFS will cost approximately \$800,000 and continues to monitor the scope of and expenditures relating to the PFS.

The budget for 2014 for costs relating to Ecuador is \$2.6 million, including foreign exchange as the US dollar has declined from 2013. The Company was within its estimated budget for Ecuador during the three month period ended March 31, 2014 and expects to be in line with budget expectations for the year. As at March 31, 2014, expenditures of \$124,000 were spent of \$502,000 budgeted for geological interpretation, expenditures of \$154,000 were spent of \$217,000 budgeted for concession related costs, expenditures of \$210,000 were spent of \$655,000 budgeted for general and administrative expenses, expenditures of \$54,000 were spent of \$446,000 budgeted for camp costs, expenditures of \$69,000 were spent of \$257,000 budgeted for media and community relations and expenditures of \$44,000 were spent of \$151,000 budgeted for transportation.

INV Metals and IAMGOLD agreed to amend the share purchase agreement pursuant to which the Company acquired the Property to extend the deadline to meet its commitment to incur \$15 million in expenditures on Loma Larga to the earlier of March 6, 2016 or the completion and filing of a bankable feasibility study. INV Metals requested an extension as a result of the scaling back of expenditures pending the release of the regulations for the medium-scale mining category, obtaining approval to operate under the medium-scale mining category, and receiving positive results from the PFS.

As previously stated, if a positive PFS is received and approval to operate under the medium-scale mining category is obtained, a bankable feasibility study is likely the next milestone for the Company to complete. The Company has been advised by consultants that the cost for a bankable feasibility study may be in the range of \$6-10 million. The Company believes it currently has cash on hand to fund the majority of the bankable feasibility study but will have to raise additional funds through one or a combination of equity or debt offering to fund costs related to the development of the Property.

MINERAL PROPERTIES (continued)

1) Loma Larga (formerly Quimsacocha), Ecuador (continued)

For further information on the Property please see the National Instrument 43-101 ("NI 43-101") technical report titled "Technical Report on the Quimsacocha Project, Azuay Province, Ecuador" dated July 18, 2012, filed on the Company's SEDAR profile.

Qualified Person

Mr. Robert Bell, P. Geo, of INV Metals, is a "qualified person" as such term is defined in NI 43-101 and has reviewed and approved the technical information and data related to the Project included above. For further information please see "Quality Control and Quality Assurance Procedures" below.

2) Rio Novo, Brazil

In Q1/2013, INV Metals and Teck Resources Inc ("Teck") and its Brazilian subsidiary entered into an option agreement with Private Co. relating to Rio Novo South. Private Co. has the right to earn a 60% interest in Rio Novo South by funding \$6 million in exploration expenditures by December 31, 2015. If Private Co. earns its interest, INV Metals and Teck would each hold a 20% interest in Rio Novo South.

Private Co. has committed to fund exploration expenditures of \$2.5 million on the property's copper and gold targets by December 31, 2014. Within the \$2.5 million of aggregate committed exploration expenditures, Private Co. must complete 6,000 metres of drilling, of which 5,200 metres must be drilled on copper targets previously identified by INV Metals and Teck.

If Private Co. fails to meet the committed expenditures by the dates noted above, the option will terminate and Private Co. will be obligated to pay an amount equal to one-half of the shortfall to each of INV Metals and Teck.

Private Co. is currently preparing the 2014 program and budget, and has advised the Company that it intends to complete the work commitments in the farm-in agreement. Private Co. has indicated that no fieldwork was completed in Q1/2014 due to the rainy season in Brazil.

A NI 43-101 compliant Technical Report entitled "Technical Report on the Rio Novo Copper-Iron-Gold-Platinum-Palladium Property in the Carajás District, Pará, Brazil" dated March 21, 2012 is filed on the Company's profile on SEDAR.

3) Kaoko, Namibia

The Kaoko property is located in the Kunene Region of northwest Namibia and is comprised of 11 Exclusive Prospecting Licenses ("EPL" or "EPL's") totaling approximately 3,673 km² in a belt geologically analogous and similar in size to the Zambian Copper Belt.

Teck has indicated that no field activity occurred in Q1/2014 and activities were focused on seeking interested third parties to farm-in to the project.

A NI 43-101 compliant Technical Report entitled "Technical Report on the Kaoko Copper-Silver Property in Northwest Namibia" dated March 21, 2012, is filed on the Company's profile on SEDAR.

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QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES

Please refer to INV Metals' MD&A in respect of the 2013 year filed with the Canadian provincial securities regulatory authorities and available on SEDAR for the Company's quality control and quality assurance procedures used in its exploration programs.

RESULTS OF OPERATIONS

The following table presents the changes between INV Metals' Consolidated Statement of Comprehensive Loss for the three month periods ended March 31, 2014 and 2013.

<i>For the periods ended</i>	March 31, 2014	March 31, 2013	Change
General and administration			
Shareholder and regulatory	\$ 39,165	\$ 45,505	\$ (6,340)
Travel expense	3,464	12,370	(8,906)
(Gain)/loss on disposal of property, plant and equipment	(15,488)	10,900	(26,388)
Office	73,383	63,162	10,221
Total general and administration	100,524	131,937	(31,413)
Compensation			
Compensation	438,464	470,871	(32,407)
Stock-based compensation	196,616	593,395	(396,779)
Total compensation	635,080	1,064,266	(429,186)
Professional fees	51,179	107,256	(56,077)
Loss on sale of exploration properties	-	5,608,945	(5,608,945)
Fair value (gain)/loss on investments	(101,761)	44,602	(146,363)
Foreign exchange (gain)/loss	(580)	36,581	(37,161)
Operating loss	684,442	6,993,587	(6,309,145)
Finance income	(54,877)	(68,142)	13,265
Total loss for the period before taxes	\$ 629,565	\$ 6,925,445	\$(6,295,880)
Deferred tax (recovery)/expense	(80,480)	129,205	(209,685)
Total loss for the period	\$ 549,085	\$ 7,054,650	\$(6,505,565)
Other comprehensive loss			
Cumulative translation adjustment	(1,041,148)	(497,134)	(544,014)
Total comprehensive (gain)/loss for the period	\$ (492,063)	\$ 6,557,516	\$(7,049,579)

The Company recorded a total loss of \$549,085 or \$nil per share in Q1/2014, compared with a total loss of \$7,054,650 or \$0.01 per share in Q1/2013, a decrease of \$6,505,565. The loss decreased in Q1/2014 primarily due to Q1/2013 gains on investments versus losses in 2013, expenses relating to the divestiture of the Rio Novo North property in Q1/2013, and lower deferred tax expense, stock-based compensation and compensation costs in Q1/2014.

General and administrative expenses decreased from \$131,937 in Q1/2013 to \$100,524 in Q1/2014, a decrease of \$31,413, mainly due to a gain on sale of vehicles at the Ecuadorian subsidiary and less travel

RESULTS OF OPERATIONS (continued)

in the quarter compared to the same period in the prior year, partially offset by higher office costs due to expensing administrative costs previously capitalized in Brazil.

Shareholder information and regulatory compliance expenses totaled \$39,165 for Q1/2014, compared to \$45,505 in Q1/2013, resulting in a decrease of \$6,340 primarily due to less regulatory fees in Q1/2014 compared to Q1/2013.

Travel expenses decreased by \$8,906 from \$12,370 in Q1/2013 to \$3,464 in Q1/2014. The decrease for the period compared to the prior year was mainly as a result of capitalized travel expenses to the Loma Larga project in Ecuador.

Compensation expense decreased from \$470,871 in Q1/2013 by \$32,407 to \$438,464 in Q1/2014 mainly as a result of less employee bonuses and director's fees paid in Q1/2014 compared to the same period in the prior year.

In Q1/2014 stock-based compensation expense was \$196,616, a decrease of \$396,779 from \$593,395 in Q1/2013. The decrease compared to the corresponding period in the prior year was mainly a result of less stock options issued to employees and directors in Q1/2014 compared to Q1/2013.

Professional fees decreased by \$56,077 from \$107,256 in Q1/2013 to \$51,179 in Q1/2014. The decrease was mainly due to lower audit fees paid in the quarter compared to the corresponding period in the prior year.

For Q1/2014, the loss on sale of exploration properties was \$nil compared to \$5,608,945 in Q1/2013 from the sale of the Rio Novo North Property in Q1/2013 where the royalty asset was written off subsequent to the sale of the property.

The fair value gain on investments was \$101,761 in Q1/2014, from a loss of \$44,602 in Q1/2013, a decrease of \$146,363, due to gains and losses in the year on mark-to-market marketable securities held as investments.

The foreign exchange loss decreased in Q1/2014 by \$37,161 to a gain of \$580, compared to an expense of \$36,581 in Q1/2013. The decrease in the year was due to less activity and lower cash balances held at the Namibian and Brazilian subsidiaries.

Interest income decreased by \$13,265 from \$68,142 in Q1/2013 to \$54,877 in Q1/2014. The decrease is due to a lower average cash balance in the quarter compared to the same period in the prior year. The Company's cash is invested in low risk, fully liquid deposits at a major Canadian chartered bank.

During Q1/2014 the deferred tax expense decreased by \$209,685, to a recovery of \$80,480 from an expense of \$129,205 in Q1/2013, due to a temporary difference on translation of non-monetary assets in the Namibian legal entity.

The cumulative translation adjustment increased to a credit of \$1,041,148 in Q1/2014 compared to \$497,134 in Q1/2013 as a result of the US dollar increasing in value relative to the Canadian dollar. The cumulative translation adjustment is due to foreign currency translation of the assets and liabilities of the Ecuadorian legal entity, which was acquired in November 2012.

FOREIGN EXCHANGE

INV Metals reports its financial results in Canadian dollars ("C\$"). The Company's expenses include costs incurred in C\$, the US dollar ("US\$"), the Brazilian real ("R\$") and Namibian dollar ("N\$").

FOREIGN EXCHANGE (continued)

The Canadian dollar decreased relative to the US dollar during the three month period ended March 31, 2014 as the average rate was C\$1.1019/US\$ compared to C\$1.0077/US\$ in Q1/2013. The Canadian dollar increased relative to the Brazilian real during the three month period ended March 31, 2014 as the average rate was C\$0.4655/R\$ compared to C\$0.5037/R\$ in Q1/2013. The Canadian dollar increased relative to the Namibian dollar during the three month period ended March 31, 2014 as the average rate was C\$0.1015/N\$ compared to C\$0.1112/N\$ in Q1/2013.

The US Dollar was C\$1.0890/US\$, the Brazilian real was C\$0.4883/R\$, and the Namibian dollar was C\$0.1037/N\$ as at May 7, 2014.

FINANCIAL CONDITION AND LIQUIDITY

Cash and cash flows

Operating activities

The Company is not in commercial production on any of its properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through equity issues.

As at March 31, 2014 the Company had cash of \$17,865,203 (2013 - \$19,104,520) and working capital of \$18,099,303 (2013 - \$19,319,531).

Cash and working capital have decreased from December 31, 2013 mainly as a result of expenditures at Loma Larga. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash flows used in operating activities for Q1/2014 totaled \$377,663 compared to \$578,418 in Q1/2013. Stock-based compensation expense, deferred tax recovery and fair value gain on investments comprise the principal amounts that reconcile the statement of loss to the statement of cash flows from operating activities.

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

Financing activities

There were no financing activities in Q1/2014.

In management's view, given the Company had working capital of \$18,099,303 as at March 31, 2014 and has a budget of \$4.7 million for 2014, the Company has sufficient financial resources to fund the currently planned PFS, maintain the Property in good standing and fund ongoing operating and administrative expenditures. The results of the PFS will provide a basis to advance the Property to the next phase of evaluation, finance further exploration or consider other options. The Company will continue to be dependent on raising equity capital or debt as required unless it reaches the production stage and generates cash flow from operations.

Investing activities

Cash flows used in investing activities for the period ended March 31, 2014 totaled \$855,121 compared to \$950,720 in Q1/2013. Investing activities decreased compared to the same period in the prior year primarily due to less expenditures at the Loma Larga Project for the quarter and decreases in expenditures on the Rio Novo property in Brazil and the Kaoko property in Namibia.

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PREVIOUSLY DISCLOSED USE OF PROCEEDS

The following table provides an update on the use of proceeds raised in the November 14, 2012 financing, related to the Loma Larga acquisition, along with amounts expended to-date. The Company scaled back expenditures at Loma Larga until such time that clarification is received on the medium-scale mining category and a positive PFS is received. Management will continue to evaluate the use of proceeds as necessary.

Description	Budget Disclosed	Expenditures to-date	Difference
Loma Larga			
Drilling	\$ 3,000,000	915,669	2,084,331
Exploration	4,000,000	1,133,250	2,866,750
Salaries, Benefits, Training, Hiring	2,000,000	1,077,867	922,133
Consultants and Contractors	1,000,000	550,000	450,000
Consultants and Contractors (local)	400,000	-	400,000
Camp Operations	500,000	181,075	318,925
Environment and Reclamation	400,000	354,662	45,338
Community Relations	600,000	455,580	144,420
Business and Property Tax	400,000	315,961	84,039
Information Technology	200,000	27,715	172,285
Vehicles, Equipment, Supplies	300,000	135,362	164,638
Travel, Meals, Accommodation	100,000	23,420	76,580
Health, Safety	100,000	68,364	31,636
Overhead	2,000,000	967,007	1,032,993
	\$ 15,000,000	\$ 6,205,932	\$ 8,794,068

RELATED PARTY TRANSACTIONS

The Company's related parties and subsidiaries presented in the annual consolidated financial statements for the three month period ended March 31, 2014 are the same as those presented by the Company in its consolidated financial statements as at and for the year ended December 31, 2013.

The remuneration of directors and officers during the three month periods ended March 31, 2014 and 2013 was as follows:

	March 31, 2014	March 31, 2013
Salaries of key management	\$ 234,325	\$ 128,750
Director fees	59,877	59,500
Stock-based compensation*	210,848	693,371
	\$ 505,050	\$ 881,621

*Officers and directors also participate in the Company's stock-option and restricted share unit programs.

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CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Total	Less than one year	Between 1 - 5 years	More than 5 years
Exploration expenditures at				
Loma Larga property	\$ 9,070,423	\$ -	\$ 9,070,423	\$ -
Office, houses and office equipment leases	425,310	140,182	285,128	-
Environmental management plan	\$ 250,051	\$ 250,051	\$ -	\$ -

As a condition to the Company's acquisition of Loma Larga, the Company guaranteed expenditures on the Loma Larga property of \$15 million over 18 months. As at March 31, 2014, INV Metals had an outstanding expenditure commitment of approximately \$9 million. On March 6, 2014 the Company and IAMGOLD amended the share purchase agreement pursuant to which the Company acquired Loma Larga to extend the deadline to meet the expenditure commitment to the earlier of March 6, 2016 or the completion and filing of a bankable feasibility study. At this time, the Company believes it has cash on hand to meet the commitment.

INV Metals renewed its lease arrangement to lease office space effective December 31, 2012. The lease will remain in effect to December 31, 2017. During the three month period ended March 31, 2014 an amount of \$68,924 was recognized in total comprehensive loss in respect of operating leases.

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

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been derived from the Company's unaudited condensed interim consolidated financial statements prepared in accordance with IFRS.

<i>For the period ended</i>	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Interest income	(54,877)	61,855	\$ 64,217	\$ 60,389
Total loss	(549,085)	(669,993)	(232,074)	(2,196,505)
Total comprehensive income/(loss)	492,063	428,259	(808,838)	(1,302,821)
Basic and diluted loss per share*	\$ -	\$ -	\$ -	\$ (0.01)

<i>For the period ended</i>	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Interest income	\$ 68,142	\$ 40,182	\$ 19,196	\$ 22,116
Total loss	(7,054,650)	(359,023)	(1,501,222)	(959,344)
Total comprehensive loss	(6,557,516)	(458,365)	(1,501,222)	(959,344)
Basic and diluted loss per share*	\$ (0.01)	\$ -	\$ (0.02)	\$ -

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

The total comprehensive loss in each quarter above includes cumulative translation adjustments of the Company's Ecuadorian subsidiary beginning in Q4/2012. The total loss decreased in Q1/2014 compared to Q4/2013 primarily due to the lack of any write downs, decreased compensation expenses and gains on

QUARTERLY FINANCIAL INFORMATION (continued)

mark-to-market investments. The total loss increased in Q4/2013 compared to Q3/2013 primarily due to mark-to-market losses on investments that decreased from a gain position in Q3/2013 to a loss position in Q4/2013, as well as additional professional fees in the quarter for year-end audit accruals. The total loss decreased in Q3/2013 compared to Q2/2013 primarily due to the absence of any write downs and gains on mark-to-market investments in the quarter. The total loss decreased in Q2/2013 compared to Q1/2013 primarily due to a lower write down relating to the Itaporã property, compared to a higher loss on the write down the Rio Novo North royalty asset in Q1/2013, partially offset by the cumulative translation adjustment in the quarter. In Q1/2013 the total loss increased compared to the prior quarter primarily due to a loss on the write off the Rio Novo North royalty asset and increased compensation expenses. The total loss decreased in Q4/2012, mainly due to the write down of the Montcalm property recorded in Q3/2012. In Q3/2012 the total loss increased compared to the prior quarter due to the write down of the Montcalm property. The total loss increased in Q2/2012 from Q1/2012, mainly due to increased mark-to-market losses and deferred tax expense.

OUTSTANDING SHARE DATA

As at May 8, 2014 the Company had 494,209,768 common shares outstanding, as well as stock options to purchase 38,805,000 common shares at a weighted average price of \$0.14, restricted share units of 9,776,808 at a weighted average price of \$0.05 and 11,418,300 compensation warrants at an exercise price of \$0.10 per share.

OFF-BALANCE SHEET TRANSACTIONS

During the three month period ended March 31, 2014 the Company was not involved in any off-balance-sheet transactions.

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.

The Company's material property is the Loma Larga property, located in Ecuador. There is a risk that the Company may not obtain approval to operate under the medium-scale mining category, the economics of which is currently being evaluated by a PFS as previously discussed. If the Company does not obtain approval from the Ecuador government to operate as a medium-scale miner and/or the PFS does not result in positive economics such that the board of directors 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 the Loma Larga Project is approximately \$32 million. A write down of some or all of the value of the Loma Larga Project could materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as the Loma Larga Project is currently the Company's flagship asset.

The Company is subject to political, regulatory and taxation risks associated with conducting mineral exploration and development in foreign countries, including Ecuador. The Ecuadorian government has not yet disclosed the regulations relating to the medium-scale mining category. There is a risk that the regulations will make the Project uneconomic and result in a write down of some or all of the value attributed to Loma Larga. Management will continue to monitor this and provide updates.

There is a risk that the Company may not be able to fund the development of the Loma Larga Project if it cannot raise significant equity or debt financing in the future. The Company is currently conducting a PFS

RISKS AND UNCERTAINTIES (continued)

which is evaluating the estimated capital costs for development and will provide an update once the PFS is complete, which is expected in mid-2014.

The Company is subject to risks related to foreign exchange rate fluctuations. There is a risk that a weakening Canadian dollar will cause US dollar denominated expenses to be more expensive than budgeted. The Company believes it has sufficient funds to finance budgeted expenditures in a declining Canadian relative to the US dollar environment.

INV Metals' mineral properties are in the exploration or development stage and do not contain a known body of potentially economically extractable ore or reserves. It is not yet known if the indicated or inferred resources at the Company's Loma Larga or Okohongo deposits can be converted from a resource to a reserve. If the inferred resources cannot 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 projects, which were valued at approximately \$32 million at Loma Larga and approximately \$8 million at Kaoko as at March 31, 2014.

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 and uncertainties related to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations.

Risks that the results of scoping studies, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations.

Risks related to the reliability of commercial laboratory's 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 in exploration and development.

The potential for delays in exploration or potential future development activities or the completion of feasibility studies.

Risks related to market sentiment, and commodity price fluctuations.

Risks related to the economic viability of a project based on changing commodity prices.

Risks related to the global economy. Recent market conditions, including disruptions in the international credit markets and other financial systems and the deterioration of the global economic conditions, could impede the Company's access to capital.

Risks related to 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 liability.

Risks of potential losses, liabilities and damages arising from the lack of insurance coverage related to the business that are uninsured or uninsurable.

RISKS AND UNCERTAINTIES (continued)

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.

Risks related to having a significant shareholder following the Loma Larga acquisition in 2012 whom, after 24 months of voting with management pursuant to the share acquisition agreement, will have significant influence on decisions to be made by shareholders.

Other risks and uncertainties related to the Company's prospects, properties and business strategy.

CORPORATE GOVERNANCE

Management and the Board of Directors (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 a year and Committees meet as required.

The Board has adopted a Board Mandate outlining its responsibilities and defining its duties. The Board has four committees (the Audit committee, the Compensation committee, the Safety, Health and Environment committee, and the Corporate Governance and Nominating committee). The Audit committee has an approved committee charter, which outlines the committees' mandate, procedures for calling a meeting, and provides access to outside resources. The Company's Safety, Health and Environmental committee has adopted a Mandate of the Safety, Health and Environmental Affairs Committee concerning the Company's treatment of environmental and health and safety matters.

The Board has also approved a Code of Business Conduct and Ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout 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 Ecuador's new mining laws.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING
(continued)

Internal Controls over Financial Reporting

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA") requires the CEO and 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.

INV Metals' CEO and the CFO have evaluated the effectiveness of the Company's Disclosure Controls as at March 31, 2014 and concluded that, subject to the inherent limitations noted above; those disclosure controls were effective for the three month 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 year 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 and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

Management conducted an assessment of the effectiveness of ICFR in place as of March 31, 2014 and concluded that such procedures are adequate and effective. The board of directors 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 March 31, 2014.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and/or in INV Metals' AIF in respect to the year 2013, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2013, future anticipated results of exploration programs (including, without limitations, with respect to the Loma Larga, Rio Novo and Kaoko properties), 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 possibility that future exploration, development or mining results will not be consistent with the Company's expectations, metal prices, 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 reserves and/or resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other conditions. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (continued)

Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and in the AIF, and include unanticipated and/or unusual events as well as actual results of planned exploration programs and exploration risk. Many of such factors are beyond INV Metals' ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. 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. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A. Additional information, including interim and annual consolidated financial statements, the AIF, management information circulars and other disclosure documents, may also be examined and/or obtained through the Internet by accessing INV Metals' website at www.invmetals.com or by accessing the Canadian SEDAR website at www.sedar.com.