Eloro Resources Ltd.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Eloro Resources Ltd. (the "Company") for the 9 months ended December 31, 2016 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of February 28, 2017.

All dollar amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company

The Company is a Canadian-based gold exploration and development company with a gold-silver property in Peru and base metal properties and royalties in the province of Quebec.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on Tier 2 of the TSX Venture Exchange ("TSXV") under the symbol ELO and on the Frankfurt Stock Exchange under the symbol WKN 909833.

Overall Performance

Private placements of units

On May 3, 2016 and May 10, 2016, the Company completed a non-brokered private placement of 2,352,942 units at a price of $0.17 per unit for proceeds of $400,000. Each unit consisted of one common share and one-half warrant, with 1,029,412 warrants and 147,059 warrants entitling the holder to purchase one common share for $0.30 until May 3, 2018 and May 10, 2018 respectively. Of the private placement, directors, officers and persons related to them acquired 1,041,174 units.

On August 25, 2016, the Company completed a non-brokered private placement of 1,800,000 units of at a price of $0.30 per unit for proceeds of $540,000 ("Private Placement"). Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.45 until February 25, 2018. Of the private placement, a director of the Company acquired 500,000 units. In connection with the Private Placement, the Company paid a 7% cash commission of $5,250 and issued 17,500 broker warrants entitling the holder to purchase one common share for $0.45 until February 25, 2018.

On December 29, 2016, the Company completed a non-brokered private placement of 928,571 units at a price of $0.35 per unit for proceeds of $325,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until December 29, 2018. Of the private placement, an officer of the Company acquired 4,264 units.

On January 6, 2017, the Company completed a non-brokered private placement of 71,429 units at a price of $0.35 per unit for proceeds of $25,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until January 6, 2019.

Definitive agreement to acquire La Victoria Gold/Silver Property, Peru

On August 4, 2016, the Company entered into a definitive agreement with Tartisan Resources Corp. ("Tartisan") to acquire a 100% interest in the La Victoria Gold/Silver Property ("La Victoria") and terminate the option to acquire a 60% interest in La Victoria. As consideration for the acquisition, the Company:

a) paid $250,000 on the closing date and will pay $100,000 on July 17, 2017, of which, $25,000 has been paid in advance;
b) issued 6,000,000 common shares ("Common Shares") with a fair value of $2,460,000;
c) granted 3,000,000 warrants ("Warrants") entitling the holder to purchase one common share for $0.40 until October 17, 2019, provided that, after April 17, 2018, if the average closing price of the Company's common shares is at least $1.00 per share for 20 consecutive trading days, the Company may accelerate the expiry date of the warrants on 45 days' notice.
d) granted a 2% net smelter royalty with an option to reduce the NSR to 1% for consideration of $3,000,000.

On October 17, 2016, the acquisition of La Victoria closed in escrow, pending recording and registration of all applicable transfers with the proper authorities in Peru. At that time, the acquisition created a new "Control Person" in the Company, pursuant to applicable securities legislation, as the Company issued Tartisan 6 million Common Shares and 3 million Warrants (representing 22.4% of the common shares of the Company on October 17, 2016, on a non-diluted basis, and 30.2% of the common shares of the Company on a partially-diluted basis, assuming the exercise of only the Warrants held by Tartisan). As of the date of this MD&A, Tartisan's 6 million Common Shares and 3 million Warrants represent 19.4% of the common shares of the Company, on a non-diluted basis, and 26.5% of the common shares of the Company on a partially-diluted basis, assuming the exercise of only the Warrants held by Tartisan.

Title to the San Markito concession will not be transferred to the Company until the final payment of $100,000 is made.

The Common Shares issued to Tartisan are subject to the following terms:

a) until April 17, 2018, Tartisan shall not sell, transfer, mortgage, hypothecate, grant a security interest in the Common Shares without the prior written consent of the Company, and thereafter, until April 17, 2021, Tartisan shall not sell more than 1,000,000 Common Shares during any 6-month period;
b) Tartisan agrees to provide the Company with 45 days' notice prior to any sale, during which time, the Company would have the right to identify purchasers for the Common Shares and have the right of first refusal to place the Common Shares pursuant to the terms of a mutually agreeable sale;
c) until October 17, 2018, Tartisan shall have the pre-emptive purchase right to participate in financings by the Company ("Subsequent Offering") to acquire a number of common shares which would result in the its proportional interest held immediately prior to such Subsequent Offering being maintained immediately following the closing of such Subsequent Offering, up to a maximum of 19.9%;
d) until October 17, 2020, Tartisan shall not vote, or encourage anyone else to vote:
   (i) against any shareholder resolution recommended by the Board, except the event of change of control of the Company or failure by the Company to maintain its status as a reporting issuer under securities law in Ontario;
   (ii) in favour of the election of nominees to the Board not proposed by the then incumbent Board; or
   (iii) in favour of any shareholder resolution or proposal unless the then incumbent Board recommends voting in favour of such shareholder resolution or proposal.

Ongoing Exploration at La Victoria

On June 7, 2016, the Company announced the commencement of a follow-up surface exploration program at La Victoria. The exploration program focused particularly on the Rufina West Oxide Gold Zone, a low sulphidation epithermal target where there is extensive artisanal mining activity and the adjacent Rufina East Sulphide Zone in the southern part of the property, Previous sampling by the Company has indicated the presence of significant high grade gold and silver values in these areas (see press releases October 8, 2015 and August 12, 2015). Completed work included an Induced Polarization Survey, geological mapping and lithogeochemical sampling. The Company retained noted Andean epithermal gold expert Dr. Osvaldo Arce Burgoa to conduct the mapping and targeted sampling program.

This work program was incorporated in a new National Instrument 43-101 Technical Report ("Technical Report"), which was filed on September 7, 2016, authored by Mr. Mr. Luc Pigeon, M.Sc., P.Geo. The Technical Report was filed as one of the terms precedent to the acquisition of La Victoria and is available under the Company's profile on SEDAR (www.sedar.com).

As outline in the Technical report, four principal mineralized zones are identified at La Victoria: San Markito, Rufina, Victoria and Victoria South. The Rufina and San Markito zones are the most advanced targets and are recommended for drilling whereas the Victoria and Victoria South zones are at an early exploration stage. In general, mineralization occurs within breccias and veins that contain significant gold and silver concentrations and trace element characteristics that are compatible with epithermal deposits especially the low sulphidation type.

A two-part Phase I exploration program was recommended in the Technical Report. The first part is budgeted at US$250,000 and includes permits, road work and drill pad construction for the diamond drill program, with detailed follow-up mapping, sampling and geophysical surveys. The Part 2 drill program is budgeted at US$850,000 and includes 3,000m of diamond drilling at San Markito and Rufina. The Company has initiated discussions with several drill contractors in Peru for the Phase I drilling program.

La Victoria is located within a prolific epithermal gold deposit belt that extends from Cajamarca to Ancash and includes such gold deposits as Yanacocha, Lagunas Norte and La Arena. The La Arena mine is located 50km northwest of the property.

At the Rufina mineralized zone, five vein sets of 20m to 70m in width were identified at the Rufina West mineralized zone, with lengths ranging from 10m to possibly 500m, with an average exposure of some 150m. Vein sets are composed of iron oxide-quartz-arsenopyrite-hydroxide-sulphate minerals in veinlet swarms, stockworks, and breccia zones. Veins are dominantly tensional, and are characterized by open space filling fabrics. Mineralization below the oxidation layer contains pyrite, bornite, chalcopyrite, and arsenopyrite, and where a 40-cm chip sample massive arsenopyrite sample carried 68.3 g/t gold, 52.7 g/t silver, and 0.77% copper. Chip channel sampling within the Rufina mountain underground workings identified several gold rich arsenopyrite veins. One sample returned an elevated gold concentration of 15.1 g/t Au over 0.5 m and 136.4 g/t Ag, 1.61% lead and 3.75% zinc. Three alteration samples from the recent sampling returned an averaged 8.8 g/t gold and 23.8 g/t silver.

Structural settings include faults and fractures bounded by brittle-ductile fault systems and shear zones. They are well developed in intrusive rocks as well as underlying sediments of the Chicama Fm.

The 2D inverse geophysical interpretation from the induced polarization survey shows that the high resistance diorite (the main mineralized lithology present on the Rufina zone) is concentrated near the surface and is underlain by conductive and chargeable sedimentary rocks. There appears to be a chargeability anomaly concentrated along the contact between the diorite and the underlying Chicama Fm sediments; since the anomaly also shows a higher resistivity value than what is usual for the Chicama Fm, it is interpreted to be mineralization along the contact; this is a high-priority drill target.

The San Markito mineralized zone is approximately 1300m long and 400m wide and is open along strike to the northwest. Mineralization occurs within breccias and veins that strike northwest and dip to the northeast at between 55 and 80 degrees. The breccias vary in lengths between 30m and 200m with widths between 5m and 20m; veins are between 20cm and 1.0m in width and have been traced up to 160m, although most identified veins are between 10m and 20m long. The breccia mineralization is composed of quartz, pyrite, arsenopyrite, iron-oxide, malachite and other secondary oxides and sulphates minerals whereas the vein mineralization is composed of quartz, arsenopyrite, chalcopyrite, pyrite, iron oxides (limonite), hydroxides (goethite) and sulphate (jarosite).

San Markito gold and silver values range from trace values to 2.27 g/t gold in the veins and to 1,814 g/t silver in the breccias. Lead, arsenic, and antimony are also enriched with lead reaching 16.82% and the latter two over the 1% analytical limit. In addition, copper values from two breccia samples returned anomalous values up to 2.31%.

The Victoria South zone is located between San Markito and Rufina zones. The host rocks are dominantly the Upper Jurassic Chicama Formation. The zone is comprised of structural vein sets ranging between 5 to 30m in width composed of iron and manganese oxides, quartz, arsenopyrite, pyrite and goethite. Most of the vein sets are bounded by faults and shear zones, with a dominant E-W east-west strike and subvertical to vertical dips. Vein lengths range from from 5m to possibly 50m, and between 1cm and 40cm in width, averaging 20cm. The main vein system is the San Carlos which was exploited for about 50m along strike. It consists of 2-3 quartz veins with abundant gossan, limonite, drusy quartz and arsenopyrite in a shear zone. Gold values mineralization range from 0.027 g/t Au up to 8.4 g/t Au over 1.2m. Silver values vary between negligible to 39.0 g/t over 1.5m. Arsenic concentrations can exceed the 10% detection limit in gold-rich samples. Lead and Zn concentrations are negligible.

The Victoria Au-Ag zone is located east of the San Markito zone within the Victoria intrusion QFP and diorite rocks near the contact with the sedimentary rocks of the Chimu Fm. Mineralized structures vary from 10 m to 100 m and widths vary from 0.1 m to 0.9 m. Surface vein material is composed of anhedral quartz and secondary iron oxide and hydroxide minerals producing a distinctive dark brown to rusty yellowish brown color. Gold and Ag values vary from trace to 14.4 g/t Au and 927 g/t Ag respectively. Copper values are elevated in most samples to a maximum of 4.29% Cu.

On October 19, 2016, the Company announced that it has completed the Phase I exploration program recommended in the Technical Report. Phase I included geological mapping and sampling, geophysical surveys, data processing, permit applications, and accessibility improvements for the Phase II drill program. The Phase II diamond drilling, which will total up to 3,000m, will focus on targets at the San Markito and Rufina Mineralized Zones. The completed work increased the Company's understanding of the potential of La Victoria and outlined a number of follow-up targets. In advance of the drilling program, the Company embarked on the second phase of a geological mapping and sampling program led by Dr. Osvaldo Arce. This work concentrates on the 3-plus km potential strike length of the San Markito-Victoria silver-gold mineralized breccia zones which have had very limited previous exploration. A new road is being constructed by the

Peruvian government that is opening up a key portion of La Victoria which will greatly facilitate the Company as it undertakes this work. In addition, the Company will be completing a detailed soil geochemical survey of Rufina North to better define a potential heap-leachable gold target near a strong IP anomaly outlined in its survey.

On December 14, 2016, the Company announced in had completed the second phase of geological mapping and sampling in the San Markito-Victoria area (San Markito and San Felipe 2 concessions) in the northern part of the La Victoria property. This program covered an area of approximately 370 ha concentrated on the three-plus km of potential strike length of the silver-gold mineralized breccias at the San Markito zone. In the course of the mapping work, 130 rock samples were taken with most samples being continuous channels by gas-powered diamond saw or chip sampling. These samples were analyzed for gold and silver by fire assay and 31 element ICP analysis to define geochemical trends. A table containing the significant results is contained in the December 14, 2016 news release.

The best gold values from the Victoria zone were 8.91 g/t Au (and trace silver) over 0.5m; 2.40 g/t Au and 86.1 g/t g/t Ag over 0.50m and 0.81 g Au/t with 229 g/t Ag over 3.50m. Anomalous gold values can be traced for more than 1.0 kilometre along strike and appear to indicate a potential gold-rich target area east of San Markito. The best silver values were 994 g/t Ag with 0.35 g/t Au in a continuous diamond saw channel sample over 4.00m and 390 g/t Ag with 0.53 g/t Au over 1.53m and >1.0% Pb This further confirms previous sampling which returned values up to 2.27 g/t Au and up to 1814 g/t Ag with up to 16.82% Pb The silver anomaly in the San Markito area extends over 1.5 km in strike length. Au, Ag, Pb and arsenic (As) are positively correlated, including anomalous antimony (Sb).

Gold-silver mineralization on the La Victoria property is spatially and structurally associated with a series of dioritic to granodioritic intrusive rocks that intrude sandstone and shale of the Chicama and Chimu Formations. In the San Markito-Victoria area Ag-Au occurs at or near an intrusive contact within an extensive area of hydrothermal alteration approximately 4km long by up to 1km wide. Alteration is characterized by silicic, argillic and limonitic alteration, surrounded by a halo of propylitic alteration. This alteration is likely in the upper part of a major low sulphidation epithermal system. Mineralization is comprised of a wide variety of types including veins, dykes, veinlets, breccias, crackle breccias, boxworks and stockworks with multiple stages of mineralization evident. The best grade mineralization appears to be associated with NW-SE striking faults cutting this alteration zone.

The completed work continues to confirm the presence of a major epithermal system with multiple stages of mineralization in the San Markito-Victoria area in the northern part of the La Victoria property. The intensity of alteration and the wide range of styles of mineralization is very encouraging. It should be noted that some of the surface samples were oxidized, in some cases intensely, such that the values may have been affected by leaching in the surface environment.

Additionally, the Company also announced on December 14, 2016, that its wholly-owned Peruvian subsidiary, Compañia Minera Eloro Peru S.A.C., had acquired an additional mining concession, Romina 3, covering approximately 600ha, that ties on to the western boundary of the Rufina Concession in the southwest corner of the La Victoria property.

At Rufina, gold mineralization occurs principally within quartz veins in shear zones within dioritic intrusive and sedimentary rocks. Work to date by the Company has identified five vein shear sets of 20m to 70m in width in the western part of the mineralized zone. Vein sets are composed of iron oxide-quartz-arsenopyrite veins, in veinlet swarms, stockworks, and breccia zones. Three surface samples from the mineralized zone averaged 8.8 g/t gold and 23.8 g/t silver, while one 50cm chip sample taken from an artisanal adit returned 15.1 g/t gold, 136.5 g/t silver, with 1.61% lead and 3.75% zinc. In the northern part of Rufina at higher elevations, the mineralized rocks are oxidized and have argillic alteration suggesting potential for heap-leachable gold mineralization. The recently completed IP survey shows that the high resistance diorite (the main mineralized lithology present on the Rufina zone) is concentrated near the surface in this area and is underlain by conductive and chargeable sedimentary rocks; this target, known as Rufina North, will be tested in the planned drill program.

On January 17, 2017, the Company announced that its Peruvian subsidiary had registered four additional mining claims totalling 3,400 ha (34 sq. km) of prospective exploration lands on the southern boundary of La Victoria. This brings the total lands held to 8,042 ha (80.4 sq. km.) in 8 concessions and 8 claims.

As part of a continuing review of the surface geology of the La Victoria property and environs, a large tract of land bordering the Rufina 2 Concession to the south was seen to host geology similar to what is seen on the Ccori Orcco Concession, and mining rights were available to acquire by staking. This property acquisition makes the Company one of the largest holders of mining rights in the northern Ancash Department section of the North-Central Peru Mineralized Belt.

In addition, extensive new mineral claims have been registered by major corporations since January 1, 2017, demonstrating a new influx of some of the world’s largest and best known mining companies entering into the northern Ancash Department. These holdings are located to the south, east, and north of the La Victoria property that continues the trend started in July of 2016 by First Quantum Minerals Ltd, which registered 14,100 ha (141 sq. km) in 15 mining claims southeast of La Victoria.

Newmont Peru SRL, a subsidiary of Newmont Mining Corporation, has registered 8,767 ha (87.7 sq. km.) in thirteen mining claims contiguous with the new southern boundary of the La Victoria property. In addition, Newmont has registered 3,300 ha (33 sq. km.) in five mining claims due West of La Victoria, as well as a very large, prospective land position just across the La Libertad/Ancash boundary some 7 km west with 8,500 ha (85 sq. km.) in 11 contiguous mining claims between the Patibal Gold Mine and the Santa Rosa Gold/Copper Mine.

Minera Barrick Misquichilca SA, the Peruvian subsidiary of Barrick Gold Corporation has registered a 600 ha (6 sq. km.) mining claim on the eastern boundary of the Company's Santa Ana 2 Concession, while proximal to this is a new landholding by Anglo American Peru SA, a subsidiary of Anglo American plc**,** with three mining claims totalling 2,700 ha (27 sq. km.).

Fresnillo Peru SAC, subsidiary of Mexican miner Fresnillo plc, has registered one 400 ha (4 sq. km.) claim on the northern boundary of the Company's San Markito Concession, and has acquired an additional 300 ha (3 sq. km.) mining claim to the east of La Victoria.

As a result of this recent activity, La Victoria is now bordered on the north by Fresnillo; on the south by Newmont; on the southeast by First Quantum; and on the east by Barrick Gold, with Anglo American in close proximity.

For additional technical information on the La Victoria Project, the reader is referred to the NI 43-101 Technical Report on the La Victoria Au-Ag Property, Ancash, Peru filed under Eloro's profile on SEDAR (www.sedar.com).

Further exploration programs at La Victoria are contingent upon the Company raising an adequate amount of financing.

Assignment of net smelter royalty on Simkar and Louvicourt
On May 20, 2016, the Company assigned 1.5% net smelter royalty on Simkar and 0.5% royalty on Louvicourt, in consideration for payment of $82,000.

Investor relations firm retained
On July 7, 2016, the Company retained Profinnotiv AG ("Profinnotiv") to provide investor and public relations services in the European market for a period of 12 months, for which, the Company will pay a fee of €2,500 and grant 100,000 stock options entitling Profinnotiv to purchase one common share for $0.30 until July 6, 2021.

Market maker retained
On January 17, 2017, the Company announced it had retained Integral Wealth Securities ("Integral") to provide market-making services in accordance with TSX Venture Exchange ("TSX.V") policies. Integral will trade shares of the Company on the TSX.V for the purposes of maintaining an orderly market and improving the liquidity of the Company's shares.

Integral will not receive shares or options as compensation. However, Integral and its clients may have or may acquire a direct interest in the securities of the Company. Eloro and Integral are unrelated and unaffiliated entities; Integral is a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and can access all Canadian Stock Exchanges and Alternative Trading Systems. The capital and securities required for any trade undertaken by Integral as principal will be provided by Integral.

The agreement is for an open-ended term of at least three months and may be terminated thereafter on 30 days' notice.

Addition to the Company's Board of Directors
On January 27, 2017, the Company announced the appointment of Richard Stone, C.I.M., as a member of the Board of Directors. Mr. Stone is Chairman and Chief Investment Officer of Stone Asset Management Limited, which he founded in 1999 following the launch of Stone & Co. Limited in 1995, where he continues to oversee the management, operations, and promotion of Stone Funds, Stone Flow-Through Limited Partnerships, and Stone Structured Products as Chief Executive Officer.

Grant of stock options
On January 27, 2017, the Company granted 1,275,000 stock options to directors, officers, consultants and an employee with each option entitling the holder to purchase one common share for $0.55 until January 27, 2022.

On February 7, 2017, the Company granted 100,000 stock options to an advisor with each option entitling the holder to purchase one common share for $0.77 until February 7, 2022.

Risks and Uncertainties
The Company is in the exploration stage and has no revenue. During the 9 months ended December 31, 2016, the Company recorded a loss of $331,180 (2015 - $349,024) and as at that date, the Company had accumulated deficit of $24,692,889 (March 31, 2016 - $24,361,709), working capital deficit of $25,447 (March 31, 2016 - $252,065) and cash flow deficit from operations of $408,630 (2015 - $36,796). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licenses.

The Company is exposed to commodity price risk. A significant decline in precious and base metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

Results of Operations

	3 months ended December 31,		**6 months ended December 31,**	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Expenses				
Professional fees	13,255	5,840	32,445	17,968
Consulting fees	66,500	61,500	209,415	184,500
Stock-based compensation	–	22,000	27,000	22,000
Investor relations and marketing	33,207	9,330	116,875	78,648
General and office	42,464	25,772	127,470	59,828
Travel	38,167	–	66,226	4,050
Loss on sale of marketable securities	–	–	–	13,940
Unrealized gain on marketable securities	(100,440)	(6,390)	(170,292)	(16,266)
Gain on assignment of royalty	–	8,859	(82,000)	22,364
Writedown of exploration and evaluation	(2,799)	(38,008)	12,677	(38,008)
	90,354	88,903	339,815	349,024
Loss	(90,354)	(88,903)	(339,815)	(349,024)

9 months ended December 31, 2016
The Company recorded a loss of $339,815 for the 9 months ended December 31, 2016 which is comparable to a loss of $349,024 for the comparative period in the previous year. Increases in consulting fees, stock-based compensation, investor relations and marketing, general and office and travel, all due to an increase in the level of activity, were offset by an increase in the unrealized gain on marketable securities and a gain of $82,000 on the assignment of royalty.

3 months ended December 31, 2016
The Company recorded a loss of $90,354 for the 3 months ended December 31, 2016 which is comparable to a loss of $88,903 for the comparative period in the previous year. Increases in consulting fees, investor relations and marketing, general and office and travel, all due to an increase in the level of activity, were offset by a decrease in stock-based compensation and an increase in the unrealized gain on marketable securities.

Summary of Quarterly Results

	Q4 2015 $	Q1 2016 $	Q2 2016 $	Q3 2016 $	Q4 2016 $	Q1 2017 $	Q2 2017 $	Q3 2017 $
Revenue	3,227	–	–	–	–	–	–	–
Income (loss)								
- Total	(349,289) (note 1)	(144,280)	(115,840)	(88,903)	(122,296)	45,783 (note 2)	(295,244) (note 3)	(90,354)
- Per share	(0.03)	(0.01)	(0.01)	–	(0.01)	–	(0.01)	–

Note 1: Loss included stock-based compensation of $114,000 and an impairment of the Summit-Gabbre property on $130,547.
Note 2: Income included an unrealized gain on marketable securities of $100,487 and a gain of $82,000 assignment of royalty.
Note 3: Loss included stock-based compensation of $27,000 and unrealized gain on marketable securities of $30,635.

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

The Company is in the exploration stage and has no revenue. During the 9 months ended December 31, 2016, the Company recorded a loss of $331,180 (2015 - $349,024) and as at that date, the Company had accumulated deficit of $24,692,889 (March 31, 2016 - $24,361,709), working capital deficit of $25,447 (March 31, 2016 - $252,065) and cash flow deficit from operations of $408,630 (2015 - $36,796). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company is committed to pay $75,000 by July 17, 2017 in respect of the acquisition of La Victoria.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Transactions with Related Parties

	9 months ended December 31, 2016 $	Outstanding as at December 31, 2016 $
Exploration and evaluation		
MRB & Associates, a company controlled by Martin Bourgoin and John Langton, former officers, for geological consulting services	15,194	43,059
John Langton, former President, for his services as President	8,000	43,280
Steel & Associates, a company controlled by Jim Steel, for his services as Senior Vice President, Mining	61,500	82,350
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	76,000	64,226
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	47,000	105,800
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	47,000	105,875
A.S. Horvath Engineering Incorporated, a company controlled by Alexander Horvath, a director, for geological consulting services	22,500	53,875

Changes in Accounting Policies including Initial Adoption

New standards and interpretations not yet adopted
On April 1, 2016, the Company adopted the following amendment to standards:
IAS 1, Presentation of Financial Statements
Amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The following new standard will be effective for periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9")
This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules In IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The Company has not determined the extent of the impact of IFRS 9 on its financial statements.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")
IFRS 16 specifies the requirements to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has not determined the extent of the impact of IFRS 16 on its financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Impairment of exploration and evaluation
Expenditures on exploration and evaluation are initially capitalized with the intent to establish commercially viable reserves. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of exploration and evaluation exceeds its recoverable amount, including the ability to renegotiate option agreements.

Warrants
For private placements of units consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants issued, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Financial instruments and risk management
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Due from Cartier and accounts payable and accrued liabilities
The fair value of due from Cartier and accounts payable and accrued liabilities approximates their carrying value due to their short term to maturity.

Warrants and stock options
The fair value of warrants and stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility or historical volatility of securities of comparable companies), weighted average expected life and forfeiture rate (both based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

Cash and marketable securities are measured at fair value at Level 1 of the fair value hierarchy.

Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The maximum exposure to credit risk is equal to the balance of cash.

The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with high credit quality Canadian chartered banks.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2016 had changed by 25%, with all other variables held constant, the loss would have decreased or increased by $44,495.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments. The Company has no interest-bearing debt.

Capital management
Capital of the Company consists of share capital, warrants, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

	9 months ended December 31,	
	2016	**2015**
	$	**$**
General and office expenses		
Rent	32,767	17,373
Office	37,200	424
Insurance	14,756	15,748
Public company costs	32,923	26,283
	117,647	59,828

Exploration and evaluation

	March 31, 2016 $	**Acquisition costs** $	**Exploration** $	**Writedown** $	**December 31, 2016** $
Property					
La Victoria	488,471	3,822,485	531,102	–	4,842,059
Other	–	–	12,677	(12,677)	–
	488,471	3,822,485	543,779	(12,677)	4,842,059

Shares Outstanding as at February 28, 2017

Shares
Authorized:
An unlimited number of common shares without par value.
An unlimited number of redeemable, voting, non-participating special shares without par value.

Outstanding:
30,915,221 common shares

Warrants
Outstanding:

Exercise price	Expiry date	Warrants outstanding
$0.24	September 3, 2017	625,000
$0.30	May 3, 2018	841,912
$0.30	May 10, 2018	147,059
$0.45	February 25, 2018	917,500
$0.50	December 29, 2018	464,286
$0.50	January 6, 2019	35,714
$0.40	October 17, 2019	3,000,000
		6,031,471

Stock options
Authorized:
3,091,522 stock options.

The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSXV. The maximum term for stock options will be 5 years and stock options granted will vest immediately.

Outstanding:

Exercise price	Expiry date	Options outstanding and exercisable
$0.10	January 29, 2020	1,150,000
$0.15	February 27, 2020	100,000
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
$0.55	January 27, 2022	1,275,000
$0.77	February 7, 2022	100,000
		2,925,000