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 year ended March 31, 2016 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of July 22, 2016.

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

Chief Technical Advisor Appointment and Changes to Management
On June 3, 2016, the Company announced the resignations of Mr. John Langton as President of the Company and Mr. Martin Bourgoin as the Company's Executive Vice President, Exploration, effective immediately. The Company's Chief Executive Officer and Chairman, Mr. Thomas Larsen, was appointed as interim President.

Previously, on December 8, 2015, the Company announced that it had appointed Dr. William ("Bill") N. Pearson, P. Geo., as Chief Technical Advisor to the Company. Dr. Pearson's role will be to provide valued independent oversight on all exploration, development and potential mining on the Corporation's earn-in interest in the La Victoria Gold/Silver Property ("La Victoria").

Private placement of units
On September 3, 2015, the Company completed a private placement of 1,250,000 units at a price of $0.12 per unit for gross proceeds of $150,000. Each unit consisted of one common share and one half of one common share purchase warrant entitling the holder to purchase one common share for $0.24 until September 3, 2017. Of the private placement, 48,333 units were purchased by a director and officers of the Company. The proceeds of the private placement were used for working capital purposes and to finance exploration efforts on the Company's optioned La Victoria Property in Peru.

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 and a director of Cartier Iron Corporation (a company which owns approximately 24.6% of the issued and outstanding common shares of the Company), acquired 1,041,174 units.

Shares-for-debt transaction
On October 5, 2015, the Company issued 2,966,667 common shares (of which, 2,816,667 common shares were issued to insiders of the Company) at a deemed price of $0.12 per share to settle debts of $356,000. This transaction was

approved by a majority of the disinterested shareholders of the Company at the annual and special shareholders' meeting held on September 30, 2015. The shares-for-debt transaction was undertaken by the Company in order to conserve capital and improve the Company's balance sheet while global financial markets remain turbulent and financing junior exploration companies remains difficult.

La Victoria, Peru

On July 3, 2014, the Company acquired an option from Tartisan Resources Corp. ("Tartisan"`), as amended November 28, 2014, June 4, 2015 and June 24, 2015, to earn a 60% interest in La Victoria, a gold-silver property consisting of 8 claims covering 3,433 hectares in the Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru. The option covers the following concessions: Ccori Orcco 1, Rufina, Rufina No. 2, San Felipe 1, San Felipe 2, San Markito, Santa Ana 1 and Victoria-APB.

In order to earn its interest, the Company must make option payments and incur exploration expenditures, as follows:

To earn 60% interest	**Option payments $**	**Exploration expenditures $**
On closing (paid)	50,000	–
July 3, 2015 (paid in advance on November 28, 2014)	50,000	–
June 5, 2015 (paid)	75,000	–
September 1, 2015 (paid)	45,000	–
January 3, 2016 (incurred) (extended from July 3, 2015)	–	43,578
January 3, 2017 (extended from July 3, 2016)	50,000	350,000
January 3, 2018 (extended from July 3, 2017)	–	400,000
January 3, 2019 (extended from July 3, 2018)	–	500,000
	270,000	1,293,578

During the term of the option, if the option holder Tartisan is granted the concession for San Felipe 3 consisting of 600 hectares, it will be added to the option and the Company must make additional exploration expenditures of $206,422 to earn its interest in La Victoria.

If either party acquires an interest in any property within 5 kilometres of La Victoria, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest. Until the Company earns its 60% interest, the Company will be deemed to have a 60% interest and the option holder will be deemed to have a 40% participating interest. In the event that the agreement is terminated before Company earns its 60% interest, the Company shall transfer its interest in any additional properties within the area of interest to the option holder.

Upon the Company earning its 60% interest, a joint venture will deemed to be formed to explore and develop La Victoria and the parties will use their best efforts to enter into a joint venture agreement. If a party does not fund its proportionate share of the approved work plan and budget and the other party funds at least 80%, their interest will be diluted and when their interest is diluted to less than 10%, the party's interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1.5% by making a payment of $1,000,000. Each party shall have the right of first refusal on the on the sale of the other party's interest.

On June 4, 2015 the Company amended the terms of the option and joint venture agreement, whereby the Company was granted the right to acquire an additional 10% in the option to earn a 60% interest in La Victoria. The consideration paid for the additional 10% earn-in interest was the payment of $120,000, paid in two instalments; $75,000 which was paid upon closing and the balance paid on September 1, 2015.

On May 27, 2016, the Company entered into a letter of intent with Tartisan to acquire a 100% interest in La Victoria and terminate the option to acquire a 60% interest in La Victoria, subject to the terms and conditions further described in the *"Proposed Transaction"* section below on page 5.

Exploration at La Victoria

On March 2, 2015, the Company announced sample assay results containing up to 4.1 g/t Gold and 427 g/t Silver from grab samples collected from the Rufina and San Markito mineralized zones (complete sample assay results can be viewed in the March 2, 2015 press release available under the Company's filings on www.sedar.com).

An initial site visit to La Victoria was conducted by the Company with the objective of evaluating the geological interpretation of the Rufina and San Markito mineralized zones as a prelude to a drilling, trenching and bulk sampling program. Permits for the proposed exploration program are expected during the third quarter of 2015. A highlight of the site visit was the discovery of a previously unidentified mineralized zone on the south side of the Pica fault, which bisects the Rufina target. The new zone, which was exposed during recent government road-work, includes a layer of oxidized copper mineralization over intense argillic alteration, with disseminated pyrite, chalcopyrite, galena, and sphalerite in the footwall of silicified fine-grained sediments.

On August 12, 2015, the Company announced it had received additional assays taken from the Rufina East, Rufina West, and San Markito mineralized zones of La Victoria. Highlights included: i) measured chip samples from the New Mineralized Zone on Rufina East ranged from 8.4 g/t gold, 39.6 g/t silver, and 1.26% copper to 63.8 g/t gold, 52.7 g/t silver, and 0.77% copper, ii) assays averaging 1.35 g/t gold and 29.80 g/t silver were received from three samples taken from Rufina West; and assays averaging 0.77 g/t gold and 307.30 g/t silver were received from two samples of the Breccia Zone on the San Markito Sector, and iii) in addition, assay values of 3.79 g/t gold and 34.6 g/t silver were obtained from a 45cm chip sample collected from a zone of graphitic sediments some 120m east of the New Mineralized Zone on Rufina East, where no sampling had been done previously.

Samples were taken for: i) geochemical background testing; ii) geometallurgical studies, including the role of arsenopyrite in gold mineralization, and; iii) initial comminution testing of the mineralizing environments at Rufina East (oxide), Rufina West (oxide > sulphide) and San Markito (sulphide > oxide). The samples were collected during Eloro's April 2015 site visit.

On October 8, 2015, the Company announced the results of assays for 86 rock samples taken from the Rufina East and Rufina West mineralized zones. Chip-channel samples from the Rufina West Mineralized Zone ranged from 1.33 g/t gold / 15.0 g/t silver, to 16.6 g/t gold / 157.3 g/t silver / 1.41% copper. The results demonstrate that mineralization continues over approximately 590 m of exposed diorite porphyry host rock. Saw-channels of 0.9 m to 2.0 m, cut at Rufina East, were designed to extend the boundaries of the New Mineralized Zone into hanging wall and footwall argillically altered zones. Results from these channels ranged from 0.03 g/t gold / 26.4 g/t silver / 0.11% copper, to 5.63 g/t gold / 12.1 g/t silver / 0.31% copper.

Complete assay results can be viewed in the August 12, 2015 and October 8, 2015 press releases available under the Company`s filings on www.sedar.com.

On June 7, 2016, the Company announced the commencement of a follow-up surface exploration program at La Victoria. The exploration program will focus 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). Work to be completed includes a 14km 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.

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

Summit Gabbre Gold/Copper/Zinc Property, Quebec
On August 17, 2015, the Company abandoned the claims for Summit-Gabbre.

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 for 5 years from the date of grant.

Risks and Uncertainties

The Company is in the exploration stage and has no revenue. During the year ended March 31, 2016, the Company incurred a loss of $471,319 (2015 - $632,537) and as at that date, the Company had an accumulated deficit of $24,361,710 (2015 - $23,890,391) and a working capital deficit of $252,065 (2015 – working capital surplus of $67,908). 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 March 31,		**Years ended March 31,**	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Revenue				
Other	-	1,746	-	3,227
Expenses				
Professional fees	5,057	13,422	23,025	38,109
Consulting fees	61,500	61,500	246,000	231,000
Stock-based compensation	-	114,000	22,000	114,000
Investor relations and marketing	17,480	74,944	96,128	87,685
General and office	8,883	38,462	68,710	89,688
Travel	-	-	4,050	7,500
Refundable tax credit on eligible expenditures	-	-	-	(25,217)
Loss on sale of marketable securities	(800)	-	13,140	-
Unrealized loss (gain) on marketable securities	18,610	(25,470)	2,344	12,716
Impairment of exploration and evaluation	11,566	130,732	33,930	136,837
Gain on settlement of accounts payable	-	(56,554)	(38,008)	(56,554)
	122,296	351,036	471,319	635,764
Loss	(122,296)	(349,290)	(471,319)	(632,537)

Years ended March 31, 2016
Decrease in the loss for the year ended March 31, 2016 compared to the comparative period in the previous year is due primarily to the following:

a) a decrease in stock-based compensation.
b) a decrease in the impairment of exploration and evaluation.

3 months ended March 31, 2016
Decrease in the loss for the 3 months ended March 31, 2016 compared to the comparative period in the previous year is due primarily to the following:

a) a decrease in stock-based compensation.
b) a decrease in investor relations and marketing
c) a decrease in the impairment of exploration and evaluation.

Summary of Quarterly Results

	Q1 2015 $	Q2 2015 $	Q3 2015 $	Q4 2015 $	Q1 2016 $	Q2 2016 $	Q3 2016 $	Q4 2016 $
Revenue	–	–	–	3,227	–	–	–	–
Loss								
- Total	88,721	78,840	115,687	349,289 (note 1)	144,280	115,840	88,903	122,296
- Per share	0.02	0.01	0.02	0.03	0.01	0.01	–	0.01

Note 1: Loss included stock-based compensation of $114,000 and a impairment of the Summit-Gabbre property on $130,547.

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 year ended March 31, 2016, the Company incurred a loss of $471,319 (2015 - $632,537) and as at that date, the Company had an accumulated deficit of $24,361,710 (2015 - $23,890,391) and a working capital deficit of $252,065 (2015 – working capital surplus of $67,908). 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 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

	Year ended March 31, 2016 $	Outstanding as at March 31, 2016 $
Exploration and evaluation		
MRB & Associates, a company controlled by Martin Bourgoin and John Langton, former officers, for geological consulting services	58,613	50,693
John Langton, former President, for his services as President	48,000	34,240
Steel & Associates, a company controlled by Jim Steel, for his services and Senior Vice President, Mining	60,000	42,800
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	98,500	58,960
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	61,000	49,300
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	61,000	49,375
A.S. Horvath Engineering Incorporated, a company controlled by Alexander Horvath, a director, for geological consulting services	30,000	25,625

Proposed Transaction

Letter of intent to acquire La Victoria

On May 27, 2016, the Company entered into a letter of intent with Tartisan to acquire a 100% interest in La Victoria and terminate the option to acquire a 60% interest in La Victoria. As consideration for the acquisition, the Company would:

a) pay $250,000 on the closing date and $100,000 on the date that is 6 months after the closing date;

b) issue 6,000,000 common shares;
c) grant 3,000,000 warrants entitling the holder to purchase one common share for $0.40 for 3 years after the closing date, provided that, 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) grant a 2% net smelter royalty with an option to reduce the NSR to 1% for consideration of $3,000,000.

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 to be issued to Tartisan will be subject to the following terms:

a) for 18 months after the closing date, 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, 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) for 2 years after the closing date, 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) provided that Tartisan owns at least 10% of the outstanding common shares of the Company, the Company shall take all commercially reasonable steps to have Tartisan's C.E.O., Mr. Mark Appleby, to be nominated to the board of directors of the Company, subject to Mr. Appleby's consent;
e) for 4 years after the closing date, Tartisan shall not vote, or encourage anyone else to vote, against any shareholder resolution recommended by the Board, except the event of change of control of the Company or the Company fails to maintain its reporting issuer status.

Changes in Accounting Policies including Initial Adoption

New standards and interpretations not yet adopted
The following amendment to standards will be effective for annual periods beginning on or after January 1, 2016:

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.

Settlement of account payable in common shares
The Company applies judgment in determining the common share price used in accounting for settlement of accounts payable in common shares. Factors considered in making those judgments include, but are not limited to, the date of the settlement agreement, the date of regulatory approvals of the settlement, the relative fair value of the common shares during these periods and the fair value of the accounts payable settled.

Stock-based compensation
The Company uses the Black-Scholes option pricing model in determining stock-based compensation, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, the actual stock-based compensation may vary from the amount estimated.

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.

Accounts payable and accrued liabilities
The fair value of 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 March 31, 2016 had changed by 25%, with all other variables held constant, the loss would have decreased or increased by $1,922.

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.

	Years ended March 31, 2016 $	2015 $
General and office expenses		
Rent	17,373	9,216
Office	538	3,794
Insurance	20,595	25,573
Public company costs	30,204	51,105
	68,710	89,688

Exploration and evaluation

	March 31, 2015 $	Acquisition costs $	Exploration $	Option payment $	Tax credit	Writedown $	March 31, 2016 $
Property							
La Victoria	128,224	120,000	240,247	–	–	–	488,471
Other	–	–	61,423	(21,600)	(5,893)	(33,930)	-
	128,224	120,000	301,670	(21,600)	(5,893)	(33,930)	488,471

Shares Outstanding as at July 22, 2016

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:
20,327,721 common shares

Warrants
Outstanding:

Exercise price	Expiry date	Warrants outstanding
$10.00	December 8, 2016	308,058
$0.15	February 19, 2017	1,500,000
$0.24	September 3, 2017	625,000
$0.30	May 3, 2018	1,029,412
$0.30	May 10, 2018	147,059
		3,609,529

Stock options
Authorized:
2,032,772 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	200,000
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
		1,650,000