TESORO MINERALS CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended April 30, 2017

Directors and Officers as at April 30, 2017:

Directors:	Peter Tegart, CEO Cyrus Driver, CFO Scott McLean Antony Harwood
TSX Venture Exchange Symbol:	TES-TSX.V

Date of This Report

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as of June 26, 2017 and should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2016 and the unaudited condensed consolidated interim financial statements for the three and six months ended April 30, 2017 of Tesoro Minerals Corp. ("Tesoro" or the "Company") both of which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

Caution on Forward-looking Information

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Management's discussion and analysis may contain forward-looking statements, including statements regarding the business and anticipated financial performance of the Company. These statements are not guarantees of the Company's future performance. Given the uncertainties associated with forward-looking information, readers are cautioned not to put undue reliance on forward-looking information.

Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Overall Performance

Description of Business

Tesoro Minerals Corp. is a publicly held mineral exploration company that held major land positions in Colombia's leading gold camps. The Company is listed on the TSX Venture Exchange under the symbol "TES" and the Frankfurt Exchange under the symbol "NXP3."

Management and the Board of Directors are focused on creating shareholder value, by ensuring that capital is committed towards exploration, while focusing on, and balancing the costs of operating a public company within a prospective emerging market.

White Gold Corporation ("White Gold")

On July 27, 2011, the Company acquired all the issued and outstanding shares of White Gold, a private Alberta corporation. White Gold, through its wholly-owned subsidiary, Oro Barracuda Ltda., a Colombian corporation, owns a 100% interest in the Tolimo & Quindio, Arboledas Gold Project and Surata Gold Project mineral property claims located in Colombia. The acquisition was completed by an amalgamation agreement with the Company's wholly-owned Alberta subsidiary, 1605139 Alberta Ltd.

During the year ended October 31, 2014, the Company wrote off the White Gold properties to a value of $nil and recorded an impairment charge of $3,509,340 as the Company ceased exploration and decided to explore other opportunities. An environmental insurance provision of $5,669 was recorded in accounts payable and accrued liabilities.

As at October 31, 2015, the Company had 817,500 common shares scheduled for issuance valued at $1.40 per share for a total value of $1,144,502 which were included in equity as obligation to issue shares.

During the year ended October 31, 2016, management determined that it is unlikely that any of the properties which were in pending concessions and lease application schedules to be acquired would now be acquired because of the passage of time and rules in Colombia respecting such acquisition and as such no further shares would be issued; accordingly obligation to issue shares was transferred to deficit.

Investment - Sale of subsidiary

During the year ended October 31, 2015, the Company entered into a Share Purchase Agreement (the "Agreement") with Oro Exploration Ltd. ("Oro") to sell 100% of the outstanding shares of the Company's 100% owned Colombian subsidiary, Oro Barracuda S.A.S. ("OBSAS").

Accordingly, all Colombian operations are recognized as discontinued operations as at October 31, 2015. The results of operations and the assets and liabilities of Colombian operations have been presented as discontinued operations in the consolidated statements of comprehensive loss, cash flows and financial position.

In January 2016, the Company completed the Agreement and received 550,000 shares of Oro, valued at $27,500, which is 10% of the issued share capital in Oro after the initial private placement of shares. The Company also has the option to participate at the 10% level in future financings of Oro, and retains a Right of First Offer on any mineral property generated by Oro excluding those currently held by OBSAS. The Company has also retained a 1% net smelter royalty ("NSR") on any OBSAS mineral title. Oro has the right to buy back the NSR for $1,000,000 USD.

Results of Operations

Discussion of Operations and Financial Condition

Three months ended April 30, 2017 and April 30, 2016

Continued operations:
During the three months ended April 30, 2017, the Company incurred a loss from continuing operations of $148,137 compared to a loss of $35,873 for the comparative period in 2016, an increase of $112,264. More significant differences in certain categories of expenses from continuing operations are as follows:

- Management fees for the three months ended April 30, 2017 were $8,600 compared to $nil for the comparative period in 2016, the increase was mainly a result of payments made to senior management for additional time spent on the activities of the Company in the current quarter.

- Property investigation costs for the three months ended April 30, 2017 were $78,075 compared to $nil for the comparative period in 2016, the increase was mainly a result of costs incurred by the Company in the current quarter to acquire a mineral exploration property of merit to replace properties sold or written down in prior years.

- Rent and services agreement expenses for the three months ended April 30, 2017 were $27,655 compared to $3,926 for the comparative period in 2016, an increase of $23,729, mainly as a result of payments made to Bullrun Management Ltd. ("Bullrun") for office rental and administrative services provided to the Company in the current quarter, including but not limited to, accounting and compliance functions, assistance in connection with quarterly and annual filings, and services usually associated with the position of Corporate Secretary.

Six months ended April 30, 2017 and April 30, 2016

During the six months ended April 30, 2017, the Company reported a loss of $338,411 compared to a loss of $13,418 for the comparative period in 2016, an increase of $324,993.

Continued operations:
During the six months ended April 30, 2017, the Company incurred a loss from continuing operations of $338,411 compared to $52,616 for the comparative period in 2016, an increase of $285,795. More significant differences in certain categories of expenses from continued operations are as follows:

- Management fees for the six months ended April 30, 2017 were $37,767 compared to $nil for the comparative period in 2016, the increase was mainly a result of payments made to senior management for additional time spent on the activities of the Company.

- Property investigation costs for the six months ended April 30, 2017 were $201,588 compared to $nil for the comparative period in 2016, the increase was mainly a result of costs incurred by the Company to acquire a mineral exploration property of merit to replace properties sold or written down in prior years.

- Rent and services agreement expenses for the six months ended April 30, 2017 were $44,807 compared to $9,271 for the comparative period in 2016, an increase of $35,536, mainly as a result of payments made to Bullrun for office rental and administrative services provided to the Company, including but not limited to, accounting and compliance functions, assistance in connection with quarterly and annual filings, and services usually associated with the position of Corporate Secretary.

Discontinued operations:
During the six months ended April 30, 2017, the Company recognized $nil from discontinued operations compared to a gain of $39,198 for the comparative period in 2016. The gain in 2016 was mostly due to the completion of the Agreement with Oro wherein the Company received 550,000 shares of Oro valued at $27,500.

Summary of Quarterly Results
The following is a summary of the Company's financial results for the eight most recently completed quarters which have been prepared using accounting policies consistent with IFRS:

Quarterly periods		Income (loss)		Basic and diluted loss per common share
April 30, 2017	$	(148,137)	$	(0.00)
January 31, 2017	$	(190,274)	$	(0.01)
October 31, 2016	$	(182,505)	$	(0.01)
July 31, 2016	$	(79,758)	$	(0.00)
April 30, 2016	$	(35,873)	$	(0.00)
January 31, 2016	$	22,455	$	(0.00)
October 31, 2015	$	(98,249)	$	(0.00)
July 31, 2015	$	8,832	$	(0.00)

Liquidity

In management's view, given the uncertainty of the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of an existing business or, if the Company focuses on the resource sector, the acquisition of a viable property and the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

As at April 30, 2017, the Company reported working capital of $56,810 compared to a working capital deficit of $144,312 at October 31, 2016. The Company will require additional financing to fund further exploration at its key projects, investigations and/or evaluations of potential new acquisitions and thereafter to fund any extensive development and expansion of such acquisitions. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2017, the Company had a cash balance of $129,784 (October 31, 2016 – $70,238) to settle current liabilities of $147,028 (October 31, 2016 – $242,974). On December 22, 2016, the Company successfully closed a non-brokered private placement for aggregate gross proceeds of $550,000. As well, on June 21, 2017, the

Company announced that it intends to complete a non-brokered private placement to raise up to $350,000 by the issuance of up to 7,000,000 common shares in the capital of the Company at $0.05 per common share. The Company plans to close the non-brokered private placement on or before July 14, 2017. The Company is planning additional financings in the near term to raise additional working capital to finance its ongoing operations.

Credit Risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company believes it has no significant credit risk.

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) *Interest rate risk*
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. At April 30, 2017, interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Price risk*
The Company has no contractual commodity price risk. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices. Commodity price risk is significant to the Company. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

Commitments

On December 1, 2016, the Company entered into an office rental and services agreement with Bullrun Management Ltd. ("Bullrun") by which Bullrun agreed to provide office rental and administrative services to the Company, including but not limited to, accounting and compliance functions, assistance in connection with quarterly and annual filings, and services usually associated with the position of Corporate Secretary. The initial term of the agreement was for two years beginning December 2016. The term automatically renews for an additional two years unless otherwise terminated by either party with 60 days written notice. For the six months ended April 30, 2017, the Company paid Bullrun $42,000 (2016 - $nil) for services rendered.

Capital Resources

During the six months ended April 30, 2017, the Company successfully closed a non-brokered private placement for aggregate gross proceeds of $550,000. During the year ended October 31, 2016, the Company did not have any share activities.

Off Balance Sheet Arrangements

As at April 30, 2017 and October 31, 2016, the Company had no off-balance sheet arrangements.

Transactions with Related Parties

Transactions with related parties and key management personnel are as follows:

	Nature of Transaction	Three months ended April 30, 2017	Three months ended April 30, 2016	Six months ended April 30, 2017	Six months ended April 30, 2016
Key management personnel:					
CEO	Management	$ -	$ -	$ 4,167	$ -
CFO	Management	8,600	-	33,600	-
		$ 8,600	$ -	$ 37,767	$ -
Related party:					
A firm of which the CFO is a partner	Professional	$ -	$ -	$ -	$ 7,800

The amounts due to related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	April 30, 2017	October 31, 2016
Due to the CEO	$ -	$ 45,833
Due to the CFO	9,030	-
Due to a firm of which the CFO is a partner	-	15,000
	$ 9,030	$ 60,833

Proposed Transactions

Except for those disclosed herein, as at the date of this MD&A there are no proposed transactions that the board of directors, or senior management who believe that confirmation of the decision by the board is probable, has decided to proceed with.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in financial statements.

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to determination of functional currency of the Company and its wholly-owned subsidiaries; and the going concern assumption:

> As at April 30, 2017, the Company has not yet achieved profitable operations, has an accumulated deficit of $39,770,187 (October 31, 2016 - $39,431,776), and has incurred losses since inception. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. The financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Outlook

Exploration Update and Objectives

The Company's business model has been to research, evaluate, acquire properties, add value through exploration, and undertake business decisions to develop projects to production through joint venture or sale of assets.

The Company held major greenfields land positions in Colombia's leading gold camps for the past three years including interests in two prolific gold regions: Tolima – Quindio and Santander – Norte de Santander. During the year ended October 31, 2015, the Company entered into an Agreement with Oro in which the Company sold 100% of the outstanding shares in its 100% owned Colombian subsidiary, OBSAS, for 550,000 shares in Oro, valued at $27,500, which the Company received in January 2016.

Outstanding Share Data

As at April 30, 2017 and the date of this MD&A, the Company has:

- 47,231,809 common shares issued and outstanding;
- 23,045,000 warrants outstanding; and
- 1,366,400 Agents' warrants outstanding.

On December 22, 2016, the Company successfully closed a non-brokered private placement for aggregate gross proceeds of $550,000. The Company issued 11,000,000 common shares at a price of $0.05 per common share (the "Private Placement"). All securities issued in connection with the Private Placement are subject to a four month hold period that expired on April 23, 2017.

On June 21, 2017, the Company announced that it intends to complete a non-brokered private placement to raise up to $350,000 by the issuance of up to 7,000,000 common shares in the capital of the Company at $0.05 per common share. The Company plans to close the non-brokered private placement on or before July 14, 2017.

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation. Additional information relating to the Company is on SEDAR at www.sedar.com.