GARIBALDI RESOURCES CORP.

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A")

For the year ended January 31, 2015

DATE AND INTRODUCTION

Garibaldi Resources Corp. is an exploration stage company whose shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol GGI. The Company's business is the acquisition, exploration and evaluation of mineral properties located in Sonora, Sinaloa and Chihuahua States, Mexico, and in British Columbia, Canada.

This discussion and analysis of financial position, results of operations and cash flows of Garibaldi Resources Corp. (the "Company" or "Garibaldi") for the year ended January 31, 2015, includes information up to and including May 29, 2015, and should be read in conjunction with the Company's annual consolidated financial statements for the years ended January 31, 2015, and 2014.

The reader is encouraged to review the Company's statutory filings including our Annual Information Form on www.sedar.com and review other information about the Company on its web site at www.garibaldiresources.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS – (cont'd)

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

MINERAL PROPERTIES IN MEXICO

Garibaldi has utilized the most sophisticated remote sensing technology in the world to explore for new gold-silver and base metal deposits in the central and northern parts of Mexico's prolific Sierra Madre. The Company currently controls four properties in this region strategically located close to some of the most robust gold and silver mining projects ever discovered in Mexico.

These properties, namely, Rodadero, Iris, Tonichi and Onavas (an extension of Tonichi), were acquired because they covered broad areas of virtually unexplored hydrothermal alteration that are strikingly similar to the alteration zones associated with many nearby known deposits. All of these properties have potential to host multiple mineralized zones and management believes the Company's portfolio represents an exceptional, leveraged exploration opportunity.

The use of conventional exploration methods would have taken years to assess the Company's landholdings at a higher expense. Instead, the Company completed a state-of-the-art, fixed wing alteration mapping survey (hyperspectral survey) covering Rodadero, Iris, Tonichi and Onavas. The hyperspectral survey identified multiple high priority target areas at each of these properties.

Garibaldi has experienced field crews and a dedicated drill rig deployed in Mexico and the Company continues to carry out vigorous exploration on the high priority targets identified by the hyperspectral survey.

MINERAL PROPERTIES IN MEXICO – (cont'd)

The Company recovered a large portion of the cost of the hyperspectral survey through the sale of the hyperspectral data to other public companies in the area including Agnico Eagle Mines Ltd., AuRico Gold Inc. and Paramount Gold and Silver Corp.

Another key property for Garibaldi in Mexico is La Patilla which was acquired by the Company in the spring of 2013. La Patilla is located in the Rosario-Las Rastras Mining District of Sinaloa State south of the Company's other Mexican properties. With gold mineralization at very shallow depths, La Patilla was acquired for its near-term exploitation potential.

Rodadero

The Rodadero property, where the Company made a high-grade discovery in 2014 at the Silver Eagle target, is located in Sonora State approximately 90 kms northwest of Agnico Eagle's La India mine and Alamos Gold's Mulatos mine. Garibaldi has built significantly on the work of the Mexican Department of Mines whose geological maps for Rodadero showed numerous known gold and silver occurrences, placer gold occurrences and more importantly large areas of alteration similar to the alteration zones identified in the Mulatos area. Detailed geological work at Mulatos has demonstrated that the large alteration zones are associated with epithermal systems that formed gold deposits.

La Patilla

The La Patilla property, where successful Phase 1 drilling was completed in 2013 and 2014, is located in very close proximity to Marlin Gold's La Trinidad mine which officially commenced commercial production in November, 2014.

Iris

The Iris property has drill-ready targets and is strategically located in the heart of a robust mining and exploration camp in western Chihuahua State. The property is in the area of several recently discovered mines, including Agnico Eagle's Pinos Altos mine and Minera Frisco's (formerly AuRico Gold's) Ocampo mine.

Tonichi

The Tonichi property is located in Sonora State and is approximately 90 kms west of Alamos Gold's Mulatos mine. Tonichi shows gold and silver as well as porphyry copper and porphyry molybdenum occurrences.

Onavas

The Onavas property is located in Sonora State and is an extension of Tonichi.

MINERAL PROPERTIES IN CANADA

Grizzly

The Grizzly property is an exciting early stage copper-gold porphyry project located in northwest B.C. in the emerging Sheslay district. Grizzly consists of over 26,000 hectares and adjoins Prosper Gold Corp.'s Star project (an advanced porphyry copper-gold prospect) on its western and southern sides. In addition, Grizzly is contiguous to Doubleview Capital Corp.'s Hat property where a new drilling discovery was announced in January, 2014.

King

Exploration targets at the 1,700 hectare King property, approximately 10 kms north-northeast of the past producing high-grade Snip Mine in the Eskay Creek region of B.C., range from high-grade gold to high-grade silver-lead-zinc. Recent power and infrastructure projects have significantly improved access to the claim area. Four mineralized zones are considered highly prospective for potential new discoveries on this under-explored property.

Red Lion

The Red Lion property is located in northwest B.C. approximately 67 kms southeast of AuRico Gold's Kemess mine and adjoins the Kiska Metals Kliyul Cu-Au Porphyry project under option to Teck Resources Ltd. Red Lion shows extremely strong Cu-Au stream sediment geochemistry in both government regional geochemical survey responses and follow-up proprietary surveys. Access and infrastructure at Red Lion are excellent with the power line to the Kemess South mine only three kms away.

Mount Sister Mary ("MSM")

The MSM property is located approximately 50 kms northeast of Imperial Metals' Red Chris mine and is underlain by similar Triassic and Jurassic volcanic and plutonic rocks. Government regional geochemical survey responses confirm prior assessment work in which at least eight Cu-Ag-Au showings have been documented on the property.

Tora Tora

The Tora Tora property (formerly called the Similkameen property) is located near Princeton, B.C., 25 kms north of the producing Copper Mountain mine. The Company is following up on last year's aeromagnetic survey of this distinct target located two kms west of Sego Resources' 2012 discovery hole (DDH-12-21, 100.4 m of 0.95% Cu, 0.55g/t Au and 3.5 g/t Ag).

Black Gold

The Company owns, through its 100% owned subsidiary, San Pedro Stone Inc., a granite quarry known as Black Gold which is located 40 kms north of Grand Forks, B.C. There is a quarry permit issued by the B.C. Ministry of Mines as well as a reclamation deposit in place.

OVERALL PERFORMANCE

Rodadero

Garibaldi has carried out an extensive exploration program at Rodadero to evaluate the mineralized zones located to date. Additional sampling and detailed mapping ahead of reducing the concessions to cover only the significant areas of mineralization was completed. This work resulted in the identification of several important targets. After reduction of the concessions, the mineralized areas were divided into the Rodadero North and Rodadero South areas.

Rodadero North and Rodadero South Target Areas

Garibaldi has now identified 12 targets at Rodadero North - Silver Eagle, Rambo, El Rey, Dolores, Batuc, La Fortuna, La Colorada, Tarichi, Reales, La Tortuga, La Estrella and Igualama - through mapping, sampling and the use of the Company's hyperspectral database (see map at www.garibaldiresources.com).

Silver Eagle is the most advanced and readily accessible target at Rodadero North. A group of eight targets strikes to the south, southeast and east of Silver Eagle. This cluster, which includes new targets La Tortuga, Reales and La Estrella, is situated within a 30 sq. km area, forming the lower two-thirds of Rodadero North, and exhibits common mineralogical features. These targets are distinct from the two northern targets, El Rey and Dolores (formerly La Guata) and Batuc.

Initial sampling at Silver Eagle consistently returned high-grade silver exclusively, whereas sampling at La Tortuga, Igualama and La Fortuna has encountered both high-grade silver and high-grade gold. Of a total of 218 samples from those areas, 24 returned silver values greater than 200 g/t while 17 returned gold values of 3 g/t or more. Assays ranged from below detection to as high as 8,000 g/t Ag and 52.6 g/t Au from selected vein and dump samples. The average values for all samples were 121 g/t Ag and 0.98 g/t Au, respectively.

In early 2014, the Company commenced its initial drilling program at Rodadero, beginning with the Silver Eagle target. Environmental assessment applications for the more advanced target areas have been submitted to the Mexican Ministry of Mines as part of the protocol for additional drill permitting.

Two targets have also been outlined at Rodadero South where less exploration has been carried out. Detailed maps showing all of Rodadero are available at the company's web site in the Mexico Projects section.

OVERALL PERFORMANCE – (cont'd)

Rodadero - Cuproro Option

On February 28, 2012, the Company entered into an option agreement to acquire a 100% interest in the Cuproro, Cuproro 1 and Cuproro 2 concessions which total 196 hectares. The Cuproro concessions are inliers in the Company's Rodadero concession. The option payments over five years totalling US$600,000 (including IVA) are as follows:

- On signing and completion of due diligence - US$25,000 (paid).
- On July 11, 2013 - US$15,000 (paid).
- On July 11, 2014 - US$20,000 (not paid) – the option agreement is currently being renegotiated.
- On February 28, 2015 - US$50,000.
- On February 28, 2016 - US$75,000.
- On February 28, 2017 - US$415,000.

Rodadero - Silver Eagle Drilling

On May 14, 2014, the Company announced the results from the first hole drilled at the Silver Eagle target at the Rodadero Project. This hole, SE-14-01, intersected exceptionally high silver grades within 30 m of surface, returning 2,010 g/t Ag (65 oz/ton) over 7 m (23.1 feet), including 3 m (9.9 feet) grading 4,565 g/t Ag (147 oz/ton). True width is estimated to be approximately 80% of the core length, and the cut-off for the 7-m intercept is 20 g/t Ag. The hole was drilled to a length of 100 m.

Drill core photos from Silver Eagle can be found on the Garibaldi web site.

Several additional diamond drill holes through SE-14-06 have confirmed the discovery of a shallow, high-grade mineralized system with apparent open-pit potential at the Silver Eagle target.

Highlights:

- Drilling along almost 100 m of strike length has returned significant high-grade silver intersections within 50 m of surface and mineralization remains open in all directions;

- SE-14-03 intersected 1,935 g/t Ag (62.2 oz/ton) between 4 and 5 m depths while the most recently reported hole, SE-14-06, the farthest step-out from the previously reported discovery hole SE-14-01, produced the widest mineralized intercept to date;

- Of particular significance, the mineralized zone at Silver Eagle appears to widen to the south. Similar siliceous bodies are exposed for several hundred metres along a ridge to the south.

SE-14-03, collared 25 m south of SE-14-01, intersected 11.45 m of 266 g/t Ag including 1,935 g/t Ag (62.2 oz/ton) at a depth of between just 4.3 and 5.2 m.

OVERALL PERFORMANCE – (cont'd)

Rodadero - Silver Eagle Drilling – (cont'd)

SE-14-06, collared 85 m south of SE-14-01, returned a consistent, well-mineralized 24.4-m section within 46.5 m of surface including 262 g/t Ag and 4.1% Pb over 4.6 m.

Hole SE-14-05 was drilled to offset mineralization in holes SE-14-01 and SE-14-04 to the north. SE-14-05 was drilled at a different orientation than the other holes and cut a zone of silicification but with low silver values. More work is needed to determine the possible orientation of a mineralized body extending to the north. All holes contained intersections with elevated levels of lead and zinc ranging from anomalous to as high as 6.1% Pb and 2.1% Zn over 1.3 m in SE-14-04.

The geometry of the mineralized system at Silver Eagle is not fully understood. Silver Eagle features excellent road and water access while power lines also run through the target area.

Phase 2 drilling started with SE-14-07. This second phase of drilling was designed to test the expansion of the mineralized zone to the south and at depth to the east, as well as the base of the silicified zone in other areas to better determine the geometry of the mineralization.

On March 5, 2015, the Company reported that continuing phase 2 drilling and surface exploration continue to expand the scale of mineralization discovered at Rodadero with multiple high-grade drill intercepts, two linked targets and new target areas. As the phase 2 drill program continues, the latest highlights include:

- SE-14-15, collared 150 metres north of Silver Eagle discovery hole SE-14-01 (the farthest step-out to date), has returned a shallow exceptional intercept of 1,307 grams per tonne silver (42 ounces per ton) over 1.5 metres within a broader interval of six metres (19.8 feet) grading 346 g/t Ag (11.1 ounces per ton).

- The Silver Eagle discovery is now confirmed to be structurally linked with the adjoining Reales target to the south to form the newly named SR high-grade zone with a potential strike length in excess of two kilometres.

- Twelve silver-gold mineralized centres (Silver Eagle is the first one to be drilled) have now been outlined at Rodadero over 50 square kilometres after the identification through surface sampling of a distinct east-west-trending system more than four km north of Silver Eagle.

In addition, surface exploration has confirmed that a previously known and large east-northeast, west-southwest trending vein system near the northern edge of Rodadero, exploited in the past, extends onto ground held by Garibaldi. Past production along this vein system was significant as old mine workings with large dumps are present along with mill tailings. Two targets, one at each extreme, have been identified, and they are now referred to as El Rey and Dolores. They are approximately two kilometres apart and replace the previous name of La Guata for the general area.

OVERALL PERFORMANCE – (cont'd)

Rodadero - Silver Eagle Drilling – (cont'd)

The following are the key priorities as the exploration program continues:

- Additional drilling at Silver Eagle and initial drilling at Reales aimed at building potential near-term surface tonnage within the SR high-grade zone;

- Testing of gold-rich drill targets to the east of Silver Eagle, specifically Tarichi and La Tortuga;

- Testing of a new vein system mapped over the northern tip of Rodadero, an apparent extension onto Garibaldi ground from a former producing mine, more than four kilometres north of Silver Eagle.

Rodadero - Surface Sampling Returns High-Grade Silver and Gold Near Silver Eagle

Reales, immediately to the south of Silver Eagle (within 1,000 m), gave very encouraging hyperspectral signatures and shows areas of silicification similar to those seen at Silver Eagle. Data from Reales and other target areas are being received and interpreted. The relationships among all the targets identified so far at Rodadero North are a focus of the continuing exploration program.

Surface sampling results from mineralized outcrops indicate continued high silver values in addition to a significant increase in base metal content (up to 14.9% Pb and 1.8% Zn) 1.5 to three km south of discovery hole SE-14-01. Assays from a total of 23 rock samples selected 1.5 km to three km south of Silver Eagle ranged from 6.5 g/t Ag to 549 g/t Ag and from 0.15% Pb to 14.9% Pb. Average values from these selected dump, grab and channel samples were 117 g/t Ag and 4.9% Pb. Sampling will soon be carried out over the northern section of Reales and additional areas throughout the target.

By the nature of the biases of sampling, the above sampling results are not necessarily representative of mineralization at Rodadero North in general or, specifically, within the zones, structures or geological features that were sampled.

OVERALL PERFORMANCE – (cont'd)

Rodadero - New Surface Discovery North of Silver Eagle

A potentially important new zone of mineralization at surface, with silicified rock carrying visible galena as found at Silver Eagle, has been identified through mapping and sampling along trend 150 m north of discovery hole SE-14-01. The newly discovered zone is lower in elevation, and this may have significant implications in the search for feeder zones at depth below the shallow high-grade discovery zone. As well, it suggests the scale of the mineralizing system could extend for a considerable distance to the north of SE-14-01.

On November 26, 2014, Garibaldi announced assay results from channel samples showing high-grade silver mineralization 150 m north of Silver Eagle discovery hole SE-14-01. Five channel samples from a shallow pit returned significant silver grades: 881 g/t (28.3 oz/ton), 771 g/t, 763 g/t, 452 g/t and 87 g/t. Widths ranged from 1.4 to 1.9 m. The average grade was 604 g/t Ag over an average width of 1.6 m.

This area will be drill tested beginning in December in an attempt to expand the Silver Eagle system in a northerly direction. Two immediate drill holes will test for continuity of mineralization to depths of less than 100 m at the new surface discovery north of SE-14-01.

All drill holes completed to date at Silver Eagle, with the exception of SE-14-05, have been to the south of SE-14-01 where mineralization remains open and has been traced for an additional three km south beyond the Reales target in sampling of surface outcrops and small underground workings. The Company eagerly anticipates receiving the next batch of assay results (drill holes SE-14-07 through SE-14-12).

OVERALL PERFORMANCE – (cont'd)

La Patilla

On April 15, 2013, the Company entered into an agreement to acquire a 100% interest in the 99 hectare La Patilla Property located in the State of Sinaloa, Mexico ("La Patilla"). La Patilla lies in the Rosario-Las Rastras mining district that hosts numerous gold-bearing veins as well as Marlin Gold's La Trinidad Project with 4.3 million tonnes of indicated resources at a grade of 1.79 g/t gold. Several gold bearing quartz veins occurring on La Patilla have been the subject of small scale mining operations by artisanal miners or "gambusinos" for a number of years and dating to historic times. Exploration by ProDeMin has defined two principal targets to date, including the La Patilla vein system and the Gambusino mine. The La Patilla Property was optioned from the original owners by ProDeMin in 2010 for its potential to develop into a small mining operation.

The Company acquired La Patilla through taking an assignment of an option to acquire the property held by ProDeMin and then exercising the option to acquire the property from the underlying Mexican owners. Pursuant to the terms of the agreements, The Company paid US$40,000 to the underlying owners to exercise the option, US$30,000 to ProDeMin to reimburse it for previous option payments made and issued 300,000 common shares of the Company to ProDeMin on receipt of acceptance for filing for the transaction from the TSX-V. Should the property be placed into commercial production, the Company will issue a further 800,000 common shares to ProDeMin and will pay a 3% NSR royalty to ProDeMin. The royalty is capped at US$3,000,000 and the Company may buy back 2% of the NSR royalty at any time upon the payment of US$2,000,000 to ProDeMin.

With the assignment of the option being acquired from ProDeMin, a company controlled by Dr. Craig Gibson, a director of Garibaldi, the transaction is considered a related party transaction and subject to the provisions of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (the "Instrument"). The Instrument makes provisions for a formal valuation and minority shareholder approval for related party transactions, however, provides exemptions from these requirements in certain circumstances. For this transaction, Garibaldi is relying on the exemption from the valuation requirements found in subsection 5.5(a) of the Instrument and on the exemption from the minority shareholder approval requirement found in subsection 5.7 (i) (a) of the Instrument on the basis for both exemptions that the transaction has a value of less than 25% of the market capitalization of the Company's issued shares. Pursuant to the transaction, at closing, Dr. Gibson's beneficial holdings, or holdings over which he has control or direction of shares of the Company will increase from nil to 300,000 shares or 0.52% of the issued common shares of the Company.

The decision to acquire La Patilla was approved by the Board of Directors, with Dr. Gibson abstaining from voting on the matter due to his interest in the transaction, as disclosed. In making its decision, the Board considered the long history of artisanal mining for gold on the property, the geological systems located on the property and the identified potential for near-term small-scale commercial production by employing modern technology and equipment to further develop the property.

OVERALL PERFORMANCE – (cont'd)

***La Patilla** – (cont'd)*

On December 11, 2013, the Company reported that exploration carried out at La Patilla had returned strong gold values from channel sampling. The results included separate sample intervals grading 28.4 g/t Au over 1.3 m, 7.5 g/t Au over 6.4 m, 6.2 g/t Au over 3.3 m and 5.8 g/t Au over 7.9 m at the Murcielago breccia, and 13.5 g/t Au over 1.3 m at the La Patilla vein system contiguous to the southeast (sample widths are estimated true widths).

This highly encouraging surface mineralization has been outlined over a combined strike length of 225 m and remains open in all directions. The host rocks are silicified rhyolite tuffs underlain by andesite. Property maps showing location, geology, sampling areas with full results, and proposed drill-hole locations are available on the Garibaldi web site.

La Patilla features easy access, relatively flat terrain at low elevations and is surrounded by excellent infrastructure in an established mining district. Garibaldi has also negotiated a long-term agreement with the local community to allow for any potential future metal extraction on the property by the Company. The recent extensive geological mapping, channel and rock sampling completed by Garibaldi at La Patilla has independently validated data compiled since 2010 through surface exploration by ProDeMin. Garibaldi's work has also identified additional targets throughout the 100 hectare property that warrant further investigation.

While Garibaldi is very encouraged by the known mineralized structures and the data collected at La Patilla to date, there has been insufficient exploration at the property to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a resource.

Phase 1 drilling at La Patilla in 2013 and 2014 focused on the La Patilla and Murcielago low sulfidation epithermal structures to test the continuity of mineralization at shallow depths and along strike.

On April 24, 2014, Garibaldi announced that its Phase 1 diamond drilling at the La Patilla Property had returned highly encouraging gold values near-surface including an interval grading 10.4 g/t Au over 8.5 m in LP-14. First-pass metallurgical testing is under way in advance of a planned follow-up Phase 2 drill program. Highlights of the initial La Patilla drill program:

- LP-14 intersected 10.4 g/t Au over 8.5 m within a wider 30-m interval grading 3.1 g/t Au;
- Five of six holes drilled to test the La Patilla vein system intersected broad zones of mineralization along 75 m of strike length to depths of approximately 50 m;
- Mineralization remains open in all directions, including at depth, and consists of gold-bearing quartz veins and breccia bodies in an epithermal, low-sulphidation system.

OVERALL PERFORMANCE – (cont'd)

La Patilla *– (cont'd)*

Steve Regoci, President of the Company, commented: "This initial shallow drilling at La Patilla, where artisanal miners have been operating for decades, is an exceptional start for us. Our next step, which we have already commenced, is a preliminary test program for recovery using cyanide to determine the amenability of the mineralization to possible heap leaching. We look forward to the next round of drilling at La Patilla, which will test a potential source at depth for the near-surface mineralization we've confirmed in the vein system. Secondary structures/zones will be investigated further as well."

The presence of mineralization in the wallrocks of the La Patilla vein system could be favourable for a bulk mining open-pit scenario with a relatively low strip ratio. Results from two shallow exploratory holes adjacent to the La Patilla vein system suggest these areas warrant follow-up work. Hole LP-13 (the Jose vein) returned 5.8 g/t Au over 2.5 m, and 2.1 g/t Au over 1.5 m from different near-surface depths. Meanwhile, hole LP-04 (collared 75 m east of LP-14) cut two zones in a stockwork system - 0.4 g/t Au over 10.5 m, and 0.5 g/t Au over 10.7 m.

Results from the second main target, the Murcielago breccia located to the northeast of the La Patilla vein system, were partly inconclusive due to poor recoveries and the fact that the most important holes to test under the high-grade mineralization in the underground workings were not completed to the target depths because of difficult drilling conditions (the most significant intersection from 7 holes was 18.6 m grading 0.6 g/t Au in LP-01). The prospective Murcielago area will be followed up through reverse circulation drilling.

An updated map for the La Patilla property including locations for all 15 holes totaling 1,245 m can be found on the Company's website.

Letter of Intent - Gainey Capital Corp

On February 25, 2015, Garibaldi announced that it had signed a letter of intent with Gainey Capital Corp. ("Gainey") to initiate an immediate program to deliver mineralized material from La Patilla to Gainey's 300-tonne-per-day processing facility just 40 miles to the southeast. This letter of intent marks another important step for Garibaldi at La Patilla where the strategic plan since acquiring this asset in 2013 has been to move to the exploitation stage as quickly as possible to generate cash flow.

Garibaldi and Gainey will use this letter of intent as a framework for a potential long-term revenue-sharing agreement between the two companies. In addition, the processing of mineralized material from La Patilla will provide Garibaldi with important additional metallurgical and grade information to further assess the exploitative potential of this asset. Preliminary La Patilla metallurgical testing is underway by Garibaldi to determine the viability of the mineralization for the flotation process.

Investors are cautioned that the planned processing of mineralized material from La Patilla is not based on a National Instrument 43-101 mineral resource or reserve estimate, preliminary economic assessment, prefeasibility study or feasibility study. As a result, there is no assurance that Garibaldi will be able to economically extract mineralization from La Patilla.

OVERALL PERFORMANCE – (cont'd)

La Patilla – *(cont'd)*

On April 9, 2015, the Company announced that a diamond drill rig had been mobilized to begin a follow-up program at a high-grade gold zone discovered last year at the La Patilla property.

The final hole of 2014 drilling at the main zone at La Patilla, LP-14, intersected 10.4 grams per tonne (g/t) gold (Au) over 8.5 metres within a broader 30-metre interval grading 3.1 g/t Au at a depth between 11 and 41 metres.

Immediate objectives of this program are as follows:

- To offset drill intercepts in the area of LP-14 and test for continuity of the high-grade structure along strike;
- To test for depth extensions to the mineralized structures identified in the previous program;
- To test the potential of the La Patilla vein system along strike.

Iris

On October 25, 2011, the Company announced the results of its 2011 exploration program at the Iris Property. The exploration program was designed to evaluate the potential of the concession block and encountered mineralization with bonanza silver grades from several small historic mine sites. Rock chip sample assays of as much as 4.61 g/t Au and 2,150 g/t Ag over 1.7 m, and 6.29 g/t Au and 588 g/t Ag over 1.2 m, were reported from the Paragatos workings, and 4.01 g/t Au and 304 g/t Ag over 2.0 m from the Mina San Martin vein. The news release contained a table which included the assay results for 36 of the samples with the most significant precious metal grades out of the 115 rock samples taken at Iris.

The exploration programs at Iris have consisted of first pass reconnaissance of the entire concession block, including stream sediment sampling. The rock chip sampling focused on areas with visible alteration and mineralization and does not represent a systematic sampling program. During this reconnaissance, several areas with interesting mineralization were encountered. Four small historic mines returned significant precious metal assays, as well as local lead and zinc. Also, samples from an additional four areas yielded interesting precious metal values from surface exposures or small prospect pits and in one case from a large area of widespread alteration.

A second pass reconnaissance in 2012 focused on evaluating the potential of each of the mineralized areas found in the first pass reconnaissance program. Detailed mapping and sampling indicated two prospective drill targets at Iris.

OVERALL PERFORMANCE – (cont'd)

Tonichi - Locust Target

Garibaldi's Tonichi concessions host a multitude of mineral prospects within broad zones of intense alteration over many square km. These target areas are being explored for potential drill targets in addition to the Locust "gold in soil" anomaly. The Company completed a trenching and mapping program on the Locust target to develop plans for future drilling. At the same time, the Company continued with the ongoing assessment of multiple targets identified by the hyperspectral survey.

Wide spaced soil sampling on the Tonichi project identified a significant "gold in soil" anomaly over one of its high priority hyperspectral target areas. The soil geochemical survey outlined strongly anomalous Au values (112 samples returned gold values in excess of 0.1 g/t) over a strike length of 1,150 m and widths of 150 to 800 m. Seven samples from the western part of the survey area returned values in excess of 1.0 g/t Au and the anomaly is open for expansion to the west, north and east. Mineralization in the area is prospective for large bulk tonnage gold and copper deposits.

The "gold in soil" anomaly, referred to as the Locust target, was one of the initial priority areas identified by the Company's fixed wing hyperspectral survey flown in 2008. Although exploration is still at an early stage, available data suggests that the Locust target may represent a previously unrecognized epithermal system similar to Alamos Gold's Mulatos deposit and Minefinder's Dolores deposit.

Exploration activities in the Locust "gold in soil" target area are ongoing. A series of access roads were constructed and extend for more than four km, crossing through the main part of the high Au-Cu soil geochemical anomaly. The main part of the geochemical anomaly continues east-west over a strike length of more than 650 m with peak grades of up to 3.78 g/t Au and 0.16% Cu. A total of six trenches were dug extending north-south from the main access road at 200 m to 300 m intervals over a strike length of more than one km. These trenches crosscut the main trend of the Locust target to facilitate surface mapping and sampling. A total of 342 chip and grab samples were collected from the trenches and road cuts and sent to the lab for geochemical analysis. Anomalous Au values were outlined within a zone of intense hematite-argillite alteration.

Coinciding with the trenching program, a ground magnetometer survey was completed over the Locust "gold in soil" anomaly using the Company's GEM GSM-35P potassium magnetometer system. The survey was carried out to assist with geological mapping and targeting of the Au mineralization to the west into the sediment covered arroyos. Based on the interpretation of the ground magnetic field data and detailed mapping, the Au mineralization is expected to continue westward along strike into the arroyos under overburden cover.

OVERALL PERFORMANCE – (cont'd)

Tonichi – Locust Target *– (cont'd)*

Exploration activity at the project in 2013 focused on mapping and sampling of the entire Locust target area including the optioned concessions. The work completed to date indicates that a large mineralized system is present. Surface sampling and mapping has expanded the known mineralized exposures at the surface from the Company's original Locust gold in soil anomaly for approximately three km to the west-southwest onto the Aurora and Marco concessions. This mineralized area is about one to two km wide as currently defined.

The exploration drill program was designed to test the geochemical and magnetic anomalies with the Company's NQ/BQ diamond drill. A total of 17 holes were drilled for a total of 2,998.7 m.

On April 24, 2012, the Company announced initial results from exploration drilling at Tonichi. The initial drill program was designed to evaluate the potential of the Locust Target that was defined by surface soil and rock chip sample anomalies. Hole 3 encountered gold mineralization of 1.25 g/t over 13.95 m and Hole 4 encountered gold mineralization of 1.12 g/t Au over 6.40 m.

On August 16, 2012, the Company announced that it continued to intercept significant widths of mineralization at the Locust target. Hole 5 encountered gold mineralization of 0.33 g/t Au over 63.85 m and Hole 6 cut 24.5 m of 0.45 g/t Au.

Steve Regoci, President of the Company, stated: "The style of mineralization evident is similar to a number of recent discoveries in the region. These early results are consistent with the potential for Locust to host a bulk tonnage gold deposit."

Holes 5 and 6 tested a breccia with quartz and barite in the matrix and appear to have cut the same body separated by about 120 m. It is unclear whether Hole 3, a further 200 m west, cut this same body or is a separate structure. Hole 4 explored a separate structure identified by mapping. Holes 1 and 2 tested a stratigraphic model for mineralization in the layered volcanic sequence. Based on the initial results, it was decided to enter into option agreements on three previously existing mining concessions that cover part of the large surface anomaly extending to the west from the original Locust target (*See Aurora and Marcos options, below*).

In general, most of the holes have intersected significant widths of gold and/or gold-copper mineralization. Exploration work advanced on the Aurora and Marcos I and Marcos II concessions that were optioned during 2012. Mapping and sampling of the concessions was largely completed, and holes 7 and 9 through 14 were drilled on the Aurora concession to complete the required 1,000 m of drilling during the first year of the option agreement. Hole 10, collared on the Aurora concession, intersected 23.89 m of 1.45 g/t Au including a 2 m interval that assayed 9.27 g/t Au. Most of the other holes drilled have also cut significant widths of mineralization.

OVERALL PERFORMANCE – (cont'd)

Tonichi – Locust Target *– (cont'd)*

The drill program was continued to test the area to the west of the holes previously completed on the Marcos Frac. 1 concession to confirm the presence of mineralized rocks at shallow levels prior to drill testing at deeper levels. Three holes were drilled on the Marcos Frac. 1 concession. Hole MAR-13-02 was drilled on a hill exhibiting strong alteration and brecciation at the surface. This hole intersected a perched supergene zone and underlying hypogene zone that together yielded a mineralized intercept of 104.6 m grading 0.24 g/t Au and 0.16% Cu. MAR-13-03 was drilled in the valley to the north to follow up on the discovery of the mineralized zones in MAR-13-02.

To date, the diamond drill holes at Locust have outlined a broad envelope of near-surface mineralization that measures at least five km along trend and one to two km across. Gold-copper mineralization is associated with intermediate intrusive rocks and tourmaline breccia bodies and is interpreted to be related to a large porphyry system. Other porphyry systems are known in the region, including the nearby Cuatro Hermanos deposit (Virgin Metals), the San Javier deposit, and the Suaqui Verde deposit (Inmet Mining). Company geologists have identified an apparently later gold mineralizing event associated with quartz-barite matrix breccia bodies. This mineralization was cut in Holes 5 and 6 that tested at northwesterly trending breccia body. Hole 5 cut 17.35 m with 0.51 g/t Au, and Hole 6 cut 18.7 m of 0.48 g/t Au. Both intercepts were within wider intervals of gold mineralized rock and are believed to be approximately true width. Below is the summary of drilling to date at Locust:

	Date		Coordinates UTM WGS84			Orientation		Total
Hole ID	Start	End	E	N	Elev	Azim	Incl	Depth (m)
LCT-11-01	23-0ct-11	6-Nov-11	635,682	3,157,670	467	-	-90°	185.7
LCT-11-02	13-Nov-11	17-Nov-11	635,553	3,157,601	410	-	-90°	69.1
LCT-11-03	18-Nov-11	23-Jan-12	635,698	3,157,550	409	30	-65°	309.0
LCT-12-04	29-Jan-12	13-Feb-12	636,085	3,157,370	382	180	-65°	151.0
LCT-12-05	2-Mar-12	10-Apr-12	635,921	3,157,527	385	65	-45°	263.9
LCT-12-06	6-May-12	24-May-12	636,016	3,157,465	392	65	-45°	224.0
LCT-12-07	5-Sep-12	22-Oct-12	635,473	3,156,879	396	190	-50°	201.0
LCT-12-08	15-Nov-12	28-Nov-12	635,776	3,157,591	371	50	-65°	174.0
LCT-12-09	12-Nov-12	20-Jan-13	635,381	3,157,001	423	195	-50°	180.0
LCT-13-10	25-Jan-13	21-Feb-13	635,741	3,156,892	419	160	-50°	141.0
LCT-13-11	12-Mar-13	24-Mar-13	635,585	3,156,662	460	145	-65°	135.0
LCT-13-12	7-Apr-13	16-Apr-13	635,244	3,156,844	407	165	-65°	144.0
LCT-13-13	19-Apr-13	1-May-13	635,525	3,157,210	429	200	-50°	145.0
LCT-13-14	20-May-13	28-May-13	635,678	3,156,896	420	160	-50°	81.0
MAR-13-01	27-Jun-13	8-Jul-13	634,133	3,156,580	371	20	-55°	150.0
MAR-13-02	27-Jul-13	14-Aug-13	633,212	3,156,288	470	-	-90	191.0
MAR-13-03	2-Nov-13	2-Dec-13	633,196	3,156,611	353	-	-90	254.0
							Total	2,998.7

OVERALL PERFORMANCE – (cont'd)

Tonichi – Aurora Option

On July 7, 2012, and subsequently amended on July 26, 2013, the Company entered into an option agreement to acquire a 100% interest in the Aurora concession, a 120 hectare concession contiguous to the Company's Tonichi concession. The option agreement includes a commitment by the Company to drill a minimum of 1,000 m within the first year of the option. The option payments over four years totaling US$651,500 are as follows:

- On signing - US$15,000 down payment (paid).
- On January 7, 2013 - a payment of US$22,500 (paid).
- On July 9, 2013 - a payment of US$4,000 (paid).
- On August 9, 2013 - a payment of US$4,000 (paid).
- On September 9, 2013 - a payment of US$4,000 (paid).
- On October 9, 2013 - a payment of US$4,000 (paid).
- On November 9, 2013 - a payment of US$4,000 (paid).
- On December 9, 2013 - a payment of US$4,000 (paid).
- On January 7, 2014 (not paid) and July 7, 2014 - a payment on each date of US$37,500.
- On January 7, 2015 and July 7, 2015 - a payment on each date of US$62,500.
- On January 7, 2016 and July 7, 2016 - a payment on each date of US$195,000.

The property is subject to a 2% net smelter return royalty ("NSR"). The Company has the right to buy down the NSR to 1% by paying $1,000,000 for each 0.5% of the 1% the Company wishes to acquire.

During the year ended January 31, 2015, the Company abandoned its option to acquire the Aurora concession and recorded a write-off of the option payments totaling $62,122 (US$61,500).

Tonichi – Marcos Option

On August 2, 2012 and subsequently amended on July 24, 2013, the Company entered into an option agreement to acquire a 100% interest in the Marco 1 and Marco 2 concessions which total 480 hectares contiguous to the Company's Tonichi concession. The Marco 1 & 2 concessions straddle the Aurora concession on both its western and eastern flanks. The option payments over four years totalling US$1,500,000 are as follows:

- On signing - US$30,000 down payment (paid).
- First year on February 2, 2013 - a payment of US$30,000 (paid) and on August 2, 2013 a payment of US$20,000 (paid).
- Second year on February 2, 2014 - a payment of US$50,000 (not paid) and on August 2, 2014 a payment of US$80,000.
- Third year on February 2, 2015 - a payment of US$100,000 and on August 2, 2015 a payment of US$200,000.
- Fourth year on February 2, 2016 - a payment of US$400,000 and on August 2, 2016 a payment of US$590,000.

OVERALL PERFORMANCE – (cont'd)

***Tonichi – Marcos Option** – (cont'd)*

The property is subject to a 1.5% net smelter return royalty ("NSR"). The Company has the right to buy down the NSR to 0.5% by paying $500,000 for each 0.5% of the 1% the Company wishes to acquire.

During the year ended January 31, 2015, the Company abandoned its option to acquire the Marco 1 and Marco 2 concessions and recorded a write-off of the option payments totaling $80,809 (US$80,000).

Tonichi - Obispo Concession

On March 16, 2012, the Company received final title documents for the Obispo concession from the Mexican Ministry of Mines. The Company's wholly-owned subsidiary Minera Pender S.A. de C.V. was awarded a 100% interest in 4,620 hectares of strategic mineral claims at the government lottery held on September 29, 2011. The Obispo concession is contiguous to Garibaldi's existing holdings at Tonichi and adds to the Company's dominant land position at Tonichi.

Tonichi - Pender Concessions

On June 25, 2012, the Company acquired a 100% interest in a 460 hectare concession (the "Pender concessions") through the Mexican Ministry of Mines lottery. The Company then staked a further 306 hectare concession contiguous to the Pender concession (the "Pender 1 concession"). The Pender concessions represent a significant addition to the Company's Tonichi Project.

The Pender concessions are located in a district prospective for copper, gold and molybdenum and adjoin the Tonichi South concessions along its northwest flank approximately four km southeast of Virgin Metals' Cuatro Hermanos copper/molybdenum deposit (900 million pounds copper indicated/2.1 billion pounds copper inferred). The Pender concessions cover a significant zone of alteration with a spectral signature similar to that evident at Cuatro Hermanos, and expand the Tonichi South concessions to the west. Garibaldi's geologists completed a detailed sampling program on the Pender concessions in 2013.

Tonichi – Coal Royalties

The Company is conducting a program with a private arms-length Mexican company to exploit near-surface coal seams over certain areas of Tonichi. The program has no cost to Garibaldi. The Company received royalties totaling $23,642 during the year ended January 31, 2015. The Company received royalties totaling $61,129 during the year ended January 31, 2014. The Company is pleased with the early results of this ongoing initiative and is exploring ways to maximize the value of this coal royalty program for shareholders. The coal royalties have been recorded as a recovery of acquisition costs. Sonora coal districts are also favourable exploration targets for microcrystalline graphite deposits, and random graphite surface samples from a zone at Tonichi, prospected by a Garibaldi geologist, have been sent to a lab for analysis.

OVERALL PERFORMANCE – (cont'd)

Dr. Craig Gibson, PhD., Certified Professional Geologist, and a director of the Company is the Qualified Person as defined by NI-43-101, who has reviewed and approved the technical information on the Mexican properties contained in this MD&A on behalf of the Company.

Grizzly

Since acquiring the Grizzly claims in 2006, Garibaldi has identified multiple target areas stretching 15 km from the northwestern portion of the property through Grizzly Central, a large area of low relief immediately below a cluster of copper-gold porphyry targets on the Star Project. A Fugro airborne magnetic survey carried out in 2007, over both the southern half of the Star (then known as Copper Creek) and the central part of the Grizzly, showed that the rock units and structures at Grizzly Central extend north onto the Star Project.

Grizzly adjoins the western and southern borders of Prosper Gold's Star Project where two successful drill programs have been completed since 2013. The Grizzly is also contiguous to Doubleview Capital's copper-gold porphyry discovery, approximately 10 km east-southeast of Prosper's Star deposit. A total of 22 holes have been drilled at Doubleview's Hat Property with the company commencing a new drill program in December, 2014.

Based on historical data, known geological structures and associated mineralization, Garibaldi geologists consider the potential within this area of highly prospective Stikine Arch Terrane to be significant. The Grizzly is 50 km northwest of Telegraph Creek and 30 km east of the past producing high-grade Golden Bear gold mine. Given the increasing strategic importance of the Grizzly, Garibaldi added the experienced geological consulting group C.J. Greig & Associates to its team, and they are currently completing a comprehensive NI-43-101 technical report on the project based on historical work and programs completed during 2014.

In September 2013, Garibaldi completed, through Precision GeoSurveys Inc., a high resolution heli-borne aeromagnetic and radiometric survey over "Grizzly West", a priority target area within the northwest portion of the Grizzly. Earlier fieldwork at Grizzly West had outlined several areas of exposed porphyry copper mineralization and sizeable, open-ended copper-in-soil anomalies.

On March 13, 2014, Garibaldi announced that recent reconnaissance work had identified a new zone of porphyry copper mineralization three km south of its Grizzly West porphyry target and three km west-southwest of Prosper Gold's Pyrrhotite Creek prospect in an area referred to as West Kaketsa. The results of this program suggest potential to significantly broaden a northwest/southeast-trending corridor of porphyry targets that extends for over 30 km through the Sheslay district from the western end of the Grizzly property through Grizzly Central to the Grizzly East expansion claims.

Given the highly encouraging results in the western and central parts of the Grizzly property, the Company accelerated its 2014 plans at the Grizzly by launching a Phase 1 exploration program to include detailed mapping, geochemistry, induced polarization surveys and drilling. The results will determine the scale of a planned Phase 2 program.

OVERALL PERFORMANCE – (cont'd)

Grizzly *– (cont'd)*

Steve Regoci, Garibaldi President and CEO, commented: "The importance of the discoveries recently announced by Prosper Gold and Doubleview Capital, located approximately 10 kms apart on properties within the Sheslay corridor, is the scale of mineralization over such wide distances. Confirmation of another significant porphyry target area several km south of Grizzly West underscores the world-class potential of this growing mineralized copper-gold porphyry corridor in the Sheslay district. Garibaldi has captured more than 50% of this very prospective corridor, with multiple targets already identified from Grizzly West to Grizzly Central, through geophysical and geochemical surveys. We're very excited about advancing the Grizzly to a first-ever drilling stage."

The extent of the newly discovered mineralized area at West Kaketsa is yet to be determined but it is located approximately one km north of the historical West Kaketsa prospect (B.C. Minfile No. 104J-024) and appears to be related to a fault that extends at least three km to Pyrrhotite Creek on the eastern flank of Mount Kaketsa.

Petrographic analysis of mineralization from both the West Kaketsa and Grizzly West prospects has confirmed that both areas exhibit classic porphyry-style copper-gold mineralization, including hydraulic brecciation, disseminated chalcopyrite and intense alteration within a hydrothermal environment. Reconnaissance work identified the new mineralized zone while following up on an encouraging airborne magnetic and radiometric survey completed in the fall of 2013 over western portions of the property.

The airborne survey confirmed that West Kaketsa, like Grizzly West, is in a region of strong magnetic activity and structure, the latter indicating faults and fractures in the intrusive bodies favourable for mineralizing fluids along the contact zones of the Mount Kaketsa monzonite granodiorite stock. Historical technical reports describe porphyry mineralization at West Kaketsa as being similar to mineralization observed at Pyrrhotite Creek. Prosper Gold has reported that Pyrrhotite Creek is a large mineralized zone with multiple porphyry targets located three kms southwest of the Star porphyries in the southwest corner of its Star Project adjoining the Grizzly. The airborne survey also indicated that Grizzly West is on the periphery of a large magnetic anomaly in a similar setting to targets on the adjoining Star Project. A soil geochemical survey has defined several strong copper anomalies open in multiple directions at Grizzly West with the grid covering an area approximately 1.5 km by 1.5 km. Fieldwork at this target has confirmed historical reports (Corona Resources) of mineralization with reported grades ranging from 0.20% Cu to 6.7% Cu in rock chip samples.

Maps showing location, sampling areas and full results from recent work completed at West Kaketsa and Grizzly West are available on the Garibaldi web site.

On January 27, 2014, the Company expanded the size of its Grizzly Project by nearly 50% to 262 sq. km through staking and the acquisition of the Hat East and Hat East 2 claims. At the recommendation of its geological team, Garibaldi staked 6,609 hectares contiguous to the eastern flank of the Grizzly property to cover the projected extensions of known mineral occurrences.

OVERALL PERFORMANCE – (cont'd)

Grizzly *– (cont'd)*

Garibaldi acquired the Hat East and Hat East 2 claims adjacent to the Grizzly and just over one km east of the discovery by Doubleview Capital at its Hat property. The claims are considered highly prospective for copper-gold porphyry mineralization and will now form part of the Grizzly Project. Under the terms of the property purchase agreement dated January 27, 2014, for the Hat East and Hat East 2 claims, Garibaldi issued 100,000 common shares at $0.225 per share for a 100% interest in each of the claims subject to a 2% net smelter return royalty in favour of the vendor, half of which Garibaldi can buy back for $1,000,000.

Based on work completed to date, compilation of regional data and nearby drilling results, Garibaldi considers the Grizzly to be an exceptional opportunity in an emerging copper-gold porphyry mining camp with world-class potential. Garibaldi's geologists continue to review data as they finalize plans for an aggressive 2015 exploration season at the Grizzly including a scheduled first-ever drill program.

Red Lion & MSM

On January 31, 2014, the Company announced that it had expanded its presence in northwest British Columbia by acquiring two highly prospective copper-gold porphyry properties called Red Lion and MSM to complement its Grizzly property.

Both the Red Lion and MSM properties were acquired from one vendor by way of a four-year option agreement to purchase a 100% interest in each property for the following consideration: $18,500 (paid) and 75,000 common shares (issued at a fair value of $16,875); an additional 150,000 common shares in each of the first three years of the option and an additional 500,000 common shares in the fourth year. The vendor will retain a 2% net smelter return, half of which the Company may purchase at any time for $2,000,000.

During the year January 31, 2015, Garibaldi engaged Precision Geophysics Inc. to fly an airborne survey over MSM. The Company is currently evaluating the data in anticipation of a geochemical exploration program scheduled for 2015.

Tora Tora

During the year ended January 31, 2014, the Company completed a high resolution heli-borne aeromagnetic and radiometric survey over the Tora Tora property after completing some preliminary soil sampling during the year ended January 31, 2013.

Carl von Einsiedel, P.Geo., an independent geological consultant, is the Qualified Person as defined by NI-43-101, who has reviewed and approved the technical information on the Canadian properties contained in this MD&A on behalf of the Company.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the Company for the years ended:

	Jan. 31 2015 $	Jan. 31 2014 $	Jan. 31 2013 $
Revenues	Nil	Nil	Nil
Net and comprehensive loss	(1,285,722)	(3,013,890)	(3,186,544)
Basic and diluted loss per share	(0.02)	(0.05)	(0.06)
Working capital	1,792,227	2,484,516	6,846,800
Total assets	8,593,630	8,472,590	11,291,172
Non-current financial liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

DISCUSSION OF OPERATIONS

The Company recorded a net and comprehensive loss of $1,285,722 for the year ended January 31, 2015 compared to $3,013,890 for the year ended January 31, 2014. Administrative expenses for the year ended January 31, 2015 were $1,075,104 compared to $847,730 for the year ended January 31, 2014. Share-based payments increased to $107,297 in 2015 compared to $5,208 in 2014 which was the largest reason for the overall increase in general and administrative expenses. The Company granted 1,000,000 stock options in the 2015 year compared to 250,000 in the 2014 year. Consulting fees increased to $119,872 in 2015 compared to $73,870 in 2014. The increase was partially due to consulting fees incurred in Mexico to collect IVA receivable. Shareholder communications increased to $146,966 in 2015 compared to $46,433 in 2014. The increase was due to the investor relations agreement with MarketSmart Communications which commenced in September 2013 and the on-line marketing agreement with Agoracom which commenced in February 2014.

Other items for the year ended January 31, 2015 included a gain on sale of marketable securities of $402,301 compared to $773,846 for 2014 and an unrealized loss on marketable securities of $521,966 compared to $2,892,529 for 2014.

Other items for the year ended January 31, 2015 included a write-off of exploration and evaluation assets of $167,241 which was primarily related to the write-off of the Aurora and Marcos option payments on the abandonment of those options.

Cash from investing activities for the year ended January 31, 2015 was $556,605 compared to $237,070 for the year ended January 31, 2014. The Company incurred expenditures on exploration and evaluation assets of $616,001 in 2015 compared to $1,342,543 in 2014. The Company received proceeds of $1,238,606 from the sale of marketable securities in 2015 compared to $1,583,699 in 2014.

DISCUSSION OF OPERATIONS – (cont'd)

Investor Relations Agreement

On August 28, 2013, the Company retained the services of MarketSmart Communications Inc. ("MarketSmart") to provide public relations and shareholder and investor communication services.

Pursuant to the terms of the agreement, MarketSmart will be paid $6,000 per month and was granted stock options to purchase up to 250,000 common shares at $0.20 per share exercisable for one year. The options will be subject to vesting provisions at a rate of 25% every three months from the date of grant. The agreement is for an initial term of three months and can be terminated by either party at any time, without cause, by giving 30 days' notice of termination in writing to the other party.

Beginning with the month of February 2014, the MarketSmart fee was reduced to $5,000 per month by mutual agreement between the parties.

Online Marketing Program

On February 1, 2014, the Company entered into an agreement with Agoracom to provide an on-line marketing and awareness program for the Company. The term of the agreement was 12 months. Garibaldi will receive exposure through millions of content brand insertions on the Agoracom network and extensive search engine marketing. In addition, exclusive sponsorships of invaluable digital properties, such as Agoracom TV, the Agoracom home page and the Agoracom Twitter account will serve to significantly raise the brand awareness of Garibaldi among small-cap investors.

Garibaldi will issue common shares to Agoracom in exchange for the on-line marketing and awareness program. Pursuant to the terms of the agreement, Garibaldi will issue $13,125 in common shares for services on April 30, 2014, July 31, 2014, October 31, 2014 and January 31, 2015. The number of common shares to be issued at the end of each quarter will be determined by using the closing price of the shares of Garibaldi on the TSX Venture Exchange on the first trading day of the month following each period for which the advertising services were provided by Agoracom.

On June 4, 2014, the Company issued 77,200 common shares at $0.17 per share to Agoracom for services to April 30, 2014.

At January 31, 2015, shares issuable includes $39,375 for 188,250 common shares issued to Agoracom on May 7, 2015.

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended January 31, 2015 and 2014 are derived from the Company's audited annual consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements.

	Apr. 30 2014 $	Jul. 31 2014 $	Oct. 31 2014 $	Jan. 31 2015 $
Comprehensive income (loss)	(650,364)	(323,750)	(523,376)	211,768
Basic income (loss) per share	(0.01)	(0.00)	(0.01)	0.00
Fully diluted income (loss) per share	(0.01)	(0.00)	(0.01)	0.00

	Apr. 30 2013 $	Jul. 31 2013 $	Oct. 31 2013 $	Jan. 31 2014 $
Comprehensive income (loss)	(1,740,183)	(510,197)	(470,808)	(292,702)
Basic income (loss) per share	(0.03)	(0.01)	(0.01)	(0.00)
Fully diluted income (loss) per share	(0.03)	(0.01)	(0.01)	(0.00)

The Company acknowledges that there can be material fluctuations in quarterly results. In the above table, the large variances in quarterly results are primarily due to unrealized losses in the fair value of the Company's marketable securities. Another factor that that can affect quarterly results is share-based payments expense as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations and mineral property exploration programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, debt financing and the sale or joint venture of its assets.

The Company's financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

LIQUIDITY AND CAPITAL RESOURCES – (cont'd)

Some of the Company's property interests are acquired by way of option agreements with ongoing cash and share obligations while others are acquired directly by staking or applying for the concession rights. At present, the Company has commitments under four option agreements (Cuproro, King and Mount Sister Mary and Red Lion). It is expected that the Company will require additional capital to cover its option commitments and carry out its planned exploration programs. The other obligation with respect to its Mexican properties is the payment of the annual property maintenance taxes which have been paid up to date.

The Company estimates that the administration of its corporate affairs will cost in the order of $250,000 per quarter or $1,000,000 per year. The Company intends to complete equity financings in the upcoming year to fund its exploration programs and administrative overheads.

During the year ended January 31, 2015, the Company's working capital decreased by $692,289 to $1,792,227.

Paramount Gold and Silver Corporation

As of January 31, 2015, all of the Company's 454,907 Paramount shares were free trading. These marketable securities are subject to market risk. The actual proceeds from the sale of these marketable securities may be materially different than the carrying value at January 31, 2015 which was $1.59 per share or $723,302.

Financing Activities

Year ended January 31, 2015:

On December 22, 2014, the Company issued 5,952,310 common shares pursuant to a private placement of 5,952,310 flow-through units at $0.21 per unit for gross proceeds of $1,249,986. Each unit contained one flow-through share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at $0.30 until June 19, 2016. The Company recorded a flow-through premium of $89,285 or $0.015 per share. The Company paid a 7% commission of $87,499 and paid settlement fees and filing fees totalling $11,500.

On July 29, 2014, the Company issued 200,000 common shares at $0.20 per share pursuant to the exercise of 200,000 stock options for proceeds of $40,000.

Year ended January 31, 2014:

On December 10, 2013, the Company issued 333,335 common shares at $0.15 per share pursuant to flow-through private placement agreements for proceeds of $50,000. The Company recorded a flow-through premium of $18,333 or $0.055 per share.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

TRANSACTIONS BETWEEN RELATED PARTIES

Directors and Officers

At May 29, 2015, the directors of the Company are Steve Regoci, Barrie DiCastri, Rafael Hinojosa, Greg Burnett and Craig Gibson. The officers of the Company were Steve Regoci, Chief Executive Officer and Barrie DiCastri, Chief Financial Officer.

Related party transactions

The Company incurred the following charges by directors of the Company or by companies with directors in common with the Company during the years ended January 31, 2015 and 2014:

	2015	2014
Consulting fees (Brent Petterson/Greg Burnett)	$ 8,000	$ 8,000
Exploration costs capitalized (Craig Gibson)	25,042	270,168
Property acquisition costs – La Patilla (Craig Gibson)	-	30,972
Management fees (Steve Regoci and Barrie Dicastri)	288,000	288,000
Office and miscellaneous (Craig Gibson)	236	26,089
Professional fees (Brent Petterson)	42,000	42,000
Wages (Rafael Hinojosa)	96,000	94,800
	$ 459,278	$ 760,029

Key management personnel compensation

The Company considers its Chief Executive Officer, Chief Financial Officer and Mexican Operations Manager to be key management. The Company incurred the following key management compensation charges during the years ended January 31, 2015 and 2014:

	2015	2014
Short-term benefits	$ 384,000	$ 382,800
Share-based payments	$ 39,000	-
	$ 423,000	$ 382,800

FOURTH QUARTER

During the fourth quarter, the Company's Paramount shares appreciated from $0.74 at October 31, 2014 to $1.59 at January 31, 2015. The Company recorded an unrealized gain of $374,915.

PROPOSED TRANSACTIONS

On November 7, 2014, the Company announced a proposed private placement of up to 5,000,000 units at $0.20 per unit for gross proceeds of up to $1,000,000. Each unit would contain one common share and one non-transferable share purchase warrant entitling the holder to purchase an additional common share at $0.30 per share for two years.

This private placement will not be going forward due to market conditions. The Company received subscriptions totalling $30,000 to January 31, 2015 with respect to this proposed private placement. The Company received an additional $20,000 on February 10, 2015. The subscribers have agreed to put the subscriptions into an upcoming private placement.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The mandatory adoption of new and revised accounting standards during the year ended January 31, 2015 is disclosed in Note 3 to the consolidated financial statements and had no significant impact on the Company's consolidated financial statements for the periods presented. Accounting standards and amendments that are mandatory for accounting periods beginning on or after January 1, 2015 are disclosed in Note 3 to the consolidated financial statements and are not expected to have a significant effect on the Company's future results and financial position. The Company's significant accounting policies are disclosed in Note 3 to the audited annual consolidated financial statements for the years ended January 31, 2015 and 2014.

CRITICAL ACCOUNTING ESTIMATES

Preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities and the reported amounts of revenues and expenses during a reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Title to Mineral Properties:

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

CRITICAL ACCOUNTING ESTIMATES – (cont'd)

Exploration and Evaluation Expenditures:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Site Closure and Reclamation Provisions:

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact any amounts charged to operations for reclamation and remediation. At the periods presented, no reclamation obligation has been incurred. Therefore, no provision has been recorded which represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Share-Based Payments:

Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

At January 31, 2015, the Company's financial instruments consist of cash, marketable securities and trade payables. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company cash is exposed to interest rate risk. The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. All marketable securities are subject to price and market volatility. At January 31, 2015, the Company held 454,907 common shares of Paramount Gold and Silver Corporation with a market value of $723,302. These shares are subject to market risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing activities and its holdings of cash and marketable securities.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont'd)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at January 31, 2015:

	Within one year	Between one and five years	More than five years
Trade payables	$ 176,479	$ -	$ -

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican pesos while its functional currency is the Canadian dollar. Following is an analysis of Canadian dollar equivalents of financial assets and liabilities denominated in Mexican pesos:

	January 31, 2015	January 31, 2014
Cash	$ 14,096	$ 41,138
Sales taxes receivable	72,385	74,410
Trade payables	(85,312)	(51,245)
	$ 1,169	$ 64,303

Based on the above net exposure, at January 31, 2015, a 10% change in the exchange rate of the Mexican peso in relation to the Canadian dollar would impact net income or loss by approximately $100.

The Company is also exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar. Following is an analysis of Canadian dollar equivalents of financial assets and liabilities denominated in US dollars:

	January 31, 2015	January 31, 2014
Cash	$ 1,401	$ 166,878
Trade payables	-	(64,466)
	$ 1,401	$ 102,412

Based on the above net exposure, at January 31, 2015, a 10% change in the exchange rate of the US dollar in relation to the Canadian dollar would impact net income or loss by approximately $100.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont'd)

Classification of financial instruments

Financial assets included in the statements of financial position are as follows:

	January 31, 2015	January 31, 2014
Fair value through profit or loss:		
Cash	$ 1,191,751	$ 464,858
Marketable securities	723,302	2,081,573
	$ 1,915,053	$ 2,546,431

Financial liabilities included in the statements of financial position are as follows:

	January 31, 2015	January 31, 2014
Non-derivative financial liabilities:		
Trade payables	$ 176,479	$ 152,418
	$ 176,479	$ 152,418

Fair values

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at January 31, 2015 and 2014:

	January 31, 2015		
	Level 1	Level 2	Level 3
Cash	$ 1,191,751	$ -	$ -
Marketable securities	723,302	-	-
	$ 1,915,053	$ -	$ -

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont'd)

	January 31, 2014		
	Level 1	Level 2	Level 3
Cash	$ 464,858	$ -	$ -
Marketable securities	2,081,573	-	-
	$ 2,546,431	$ -	$ -

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

RISKS AND UNCERTAINTIES – (cont'd)

Option Agreements

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

OUTSTANDING SHARE DATA

Number of Issued and Outstanding Shares

At May 29, 2015	64,783,959

Warrants

At May 29, 2015, there were 2,976,155 share purchase warrants outstanding entitling the holders to purchase one common share for each warrant held at $0.30 until June 19, 2016.

Stock Options

At May 29, 2015, there were 2,950,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options Outstanding	Exercise Price	Expiry Date
1,450,000	$0.35	February 8, 2016
400,000	$0.35	June 24, 2016
500,000	$0.30	February 22, 2017
600,000	$0.20	February 3, 2019
2,950,000		