GALORE

RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

Date of Report: February 29, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Galore Resources Inc. (the "Company"), as at December 31, 2015, and the related notes which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee. In the opinion of management, all adjustments, which consist only of normal recurring adjustments, considered necessary for a fair presentation have been included. The results for the nine months ended December 31, 2015 presented are not necessary indicative of the results that may be expected for any future period. All dollar amounts in this MD&A are reported in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and accurate.

The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Additional information relating to the Company is available at www.sedar.com.

Caution Regarding Forward Looking Information:

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" , or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the market for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

All statements in this discussion that address the Company's expectations about future exploration and/or development are forward-looking statements.

Overview

The Company was incorporated in British Columbia and began trading on the TSX-V under the symbol "GRI" on March 19, 2007. The Company is in the process of exploring its exploration and evaluation assets and has not as yet determined whether these properties contain reserves that are economically recoverable.

The Company currently has two active exploration properties. These are the Taseko copper-molybdenum-gold property in British Columbia, Canada and the Dos Santos gold property in Zacatecas State, Mexico.

Highlights for the nine months ended December 31, 2015 and to date (and the year ended March 31, 2015:

- In April, 2014, the Company received the results for a 1,233 line-kilometre (770 line-mile) Helicopter Airborne Gravity Gradiometer and High Sensitivity Magnetic Survey over approximately 20,000 hectares (49,400 acres) of the Dos Santos Property and the adjacent, optioned San Onesimo property.

- On May 29, 2014, the Company cancelled 1,100,000 stock options from the resignation of the CFO during the year ended March 31, 2014.

- On June 10, 2014, the Company announced the following:

  - ♦ it had signed an Option Agreement to acquire the 5,603 hectare San Onesimo property, located south of the Dos Santos property in northern Zacatecas State, Mexico. The Company may earn a 100% interest in the property by making cash payments totalling US$508,000 (US$28,000 paid) over 5 years and issuing 1 million common shares of the Company by the contract completion date in 2019. The property optionors retain a 2% Net Smelter Royalty (NSR) from gold and silver production and 1% NSR from all other mineral production. These royalties may be purchased by the Company for US$ 1 million for each 1% NSR on or before the option completion date in 2019. Previous work on the San Onesimo property confirmed that the favourable host rocks the Company is exploring on Dos Santos, underlie the San Onesimo property;

  - ♦ it was going to re-commence the process of conducting a non-brokered private placement financing for up to 9 Million units at a price of $0.05 per unit to raise gross proceeds of up to $450,000 ; and

  - ♦ it had entered into a Loan Deferral Agreement with a principal of the Company. This lender provided the Company with a cash loan of approximately CDN$96,000 in the first quarter of 2013, and was held subject to a Promissory Note. The loan accrues interest at a rate of 12% per annum, calculated semi-annually. Under the Loan Deferral Agreement, the Lender agreed to extend repayment of the loan, plus accrued interest, until October 31, 2014. As consideration for providing this extension to the Loan, the Company agreed to issue as a bonus to the lender, 425,000 share purchase warrants, exercisable at a price of $0.10 per warrant, for a period of five years from the date of issuance. The Company received TSX Venture acceptance to the issuance of the bonus warrants on July 8, 2014. To date the loan has not yet been paid and interest continues to accrue.

- On August 15, 2014, the Company announced that it entered into an Option and Joint Venture Agreement for the Taseko Project with Amarc Resources Ltd on July 15, 2014. (TSX-V:AHR; OTCBB:AHR) The Taseko Project is located in south-central British Columbia, approximately 200 km north of Vancouver. Galore's interest in five properties comprising the Taseko Project was earned through work commitments, option payments and issuing shares of the Company to the original claim owners.

Under the Taseko Agreement, Amarc will be the operator and can acquire up to a 70% ownership interest in the Taseko Project claims. Amarc will acquire a 51% ownership interest in the Taseko Project claims by making cash and share payments totaling $450,000 over four years and by completing $3 million in exploration expenditures by December 31, 2019 (the "Initial Option"). Up to 50% of these payments may be made in shares at Amarc's discretion. Following the exercise of the Additional Option, Amarc can earn an additional 19% ownership interest in the Taseko Project claims (for a total of 70%) by spending an additional $2 million over two years.

- On August 6, 2014, the British Columbia Securities Commission issued a Cease Trade Order as a result of the Company's failure to file its annual financial statements and management's discussion and analysis for the year ended March 31, 2014. Management completed and filed these statements and the TSX Venture Exchange and BC Securities Commission revoked the Cease Trade Order on September 3, 2014.

- The Company received approval and adoption by its board of directors (the "Board of Directors") of an advance notice policy (the "Policy") on August 28, 2014, which Policy, among other things, includes a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Company.

- At its annual general meeting on October 3, 2014, the Company received ratification by shareholders of the adoption of this policy, as well as approval to amend its Articles to reflect same.

- On October 3, 2014, the Company granted 2,300,000 stock options at $0.15 per share for five years.

- On October 8, 2014, the Company finalized a first tranche of the private placement announced on June 10, 2014 and issued 2,270,300 units at a price of $0.05 per unit for gross proceeds of $113,515. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share for a period of two years at a price of $0.10, expiring October 8, 2016.

DOS SANTOS, MEXICO

The Dos Santos property covers a gold exploration project located within the historic Concepcion del Oro mining district in northern Zacatecas State, Mexico. The property is located in a sparsely populated, mining friendly area of Mexico with a 500 year long mining history and in one of the most prospective areas in Mexico for large mineral deposits. It is located 35 kilometres southeast of Goldcorp's world-class Peñasquito gold-silver-lead-zinc mine and also lies adjacent to the northern property boundary of the Camino Rojo gold discovery. The Camino Rojo project was acquired by Goldcorp in February, 2010 through an acquisition of Canplats Resources.

The property was assembled over a number of years, starting in 2007 with an option agreement on 658 hectares covering artisanal mining activity dating back to the mid 19^{th} century. A 100% interest in these claims was earned in 2011. Additional claims were acquired by staking and through the Mexican mineral title lottery system from 2007 to 2010.

During the year ended March 31, 2012, the Company entered into a purchase agreement to acquire the surface rights to certain privately-owned lands known as Rancho Duraznillo that cover a portion of the Dos Santos project. The terms of the agreement required payments of $350,000 Pesos on signing (paid) and further monthly payments over 18 months totaling approximately $1,050,000 Pesos. The Company has completed 15 of these monthly payments and must pay the remaining $175,000 Pesos to acquire the surface rights. Payment of this amount has been temporarily postponed due to the property being included in the process of settling the estate of the seller's wife, who had co-title to the property and passed away in 2013.

La Palma target

Prior to 2009, Galore explored known gold showings at San Jose and Los Gemelos in the northern area of the property. In 2009 and 2010 the Company began exploring for a Camino Rojo-style silver-gold deposit in areas underlain by the same host rocks. Exposure is limited in these areas so a soil pH survey was used to outlined initial targets, which were then explored by an Induced Polarization (IP) and magnetometer surveys.

The best results were obtained on the North Grid at La Palma, where a 160 hectare area, coincident chargeability and magnetic anomalies were defined on seven lines. The chargeability anomaly is up to 1,400 metres wide, delineated over a 1,200 metre length and appears to be open to the west.

The North Grid anomaly was tested with a twelve hole, 4,973 metre diamond drilling program from October to December, 2010. The drill holes are spaced from 280 to 860 metres apart and tested locations within and outside the anomalies. Further details can be found in the Company's news release dated April 4, 2011.

La Palma Geology and Drilling

The La Palma area is underlain by a calcareous and carbonaceous clastic sedimentary unit, which grades into an impure limestone at depth. The clastic unit is an argillite having interbeds of siltstone-sized fragments at higher levels. Centimetre-scale pyritic beds to millimeter-scale very fine grained pyrite laminations occur in this unit in all holes and increase in frequency with depth. These pyritic layers do not carry significant metal values. Deposition of the pyrite bands in the clastic unit is interpreted as syn-sedimentary, caused by an influx of iron into a starved basin environment. However, drilling also encountered a three to four metre thick marker horizon in all holes, with a unique geochemical signature, suggesting a short episode of hydrothermal discharge occurred on the sea floor during sedimentation.

Much younger, polymictic breccias (mixed angular rock types) were also encountered in all drill holes. These breccias occur in thicknesses from centimetres to several metres, parallel to and cross-cutting bedding. More importantly, breccias contain altered felsic intrusive and feldspar porphyry fragments, common to diatreme related deposits. These breccias are evidence of a high energy explosive intrusion-related event.

All anomalous concentrations of silver-lead-zinc mineralization in drill core are associated with brecciation. Geochemical evidence suggests the brecciation and mineralization are intrusion-related, although not all breccia intercepts contain igneous fragments. These features may be associated with diatreme intrusions similar to the geology found at Goldcorp's Peñasquito mine. This led to an exploration model based on the geology of the Peñasquito deposits. Peñasquito mineralization is associated with breccia pipes, which have a lower density than their host rocks. A combined airborne gravity and magnetic survey was chosen in 2012 to explore the favourable geology on the property. A fixed wing airborne survey was initially selected but system availability and various delays resulted in choosing a helicopter-borne gravity survey system, which was working near the Dos Santos property in February, 2014.

In April, 2014, the Company received the survey results. A total of 1,233 line-kilometre (770 line-mile) Helicopter Airborne Gravity Gradiometer and High Sensitivity Magnetic Survey were flown over approximately 20,000 hectares (49,400 acres) of the Dos Santos Property and the adjacent, optioned, San Onesimo property. A preliminary target evaluation of the survey was received in May 2014. A preliminary assessment of the survey data by an independent geophysicist, revealed encouraging anomalies, which fit Galore's exploration model. A more detailed analysis of the survey is also recommended in some areas of the property.

Galore has prepared an exploration plan and budget to test these anomalies. Management is currently working on raising the money to carry out this plan.

El Álamo target

The El Álamo claim was acquired by Galore through a Mexico government claim lottery and is 100% owned by Galore. In September, 2010 the Company began a systematic trenching and mapping program. The main trenches ranged in length from 34 to 80 metres. The program included 512 continuous chip and channel rock samples taken from 10 trenches totalling 1,020 in length. Samples were taken in a north-south direction, across steeply dipping, east-west trending, altered limestone beds. Six of the trenches, which ended in gold-bearing mineralization, were extended by 212 metres. The best results include 12 meters of 0.96 g/t gold, adding to more significant intervals in the main trenches. It is now interpreted that the main area of gold mineralization at El Álamo measures over 500 metres long and up to 110 metres wide. The mineralization remains open at depth and in at least two directions.

From December 2011 to January 2012, the Company carried out a shallow percussion drill sampling program on the claim. Drilling was done at 30 metre spacing using a conventional track-mounted percussion drill to minimize construction of road access in steep terrain. The results demonstrate that mineralization exposed in the trenches extends to depth. No recent work, other than the airborne survey, has been carried out on this target.

S***an Jose target***

Previous work in the San Jose area included rock sampling of hand-trenches, numerous artisanal pits and several abandoned underground workings. Gold assays range from trace to 208 gm/tonne over 0.5 metres. Gold values are associated with anomalous arsenic, mercury, antimony and thallium concentrations, which are known pathfinder elements associated with high-level epithermal gold mineralization. All samples lie within a one-kilometre diameter circular carbonate and silica-alteration anomaly, which is evident on an ASTER satellite image of the area.

In July, 2009, the Company completed a thirteen hole, 3,500 metre reverse-circulation drilling program. Anomalous gold and gold pathfinder elements occur throughout all holes. The best intercepts were returned from three holes. Holes 2S-07, 2S-08 and 2S-10 returned 1,880 ppb gold (1.88 gm/tonne) over 2 metres, 1,019 ppb gold (1.02 gm/tonne) over 2 metres and 962 ppb gold (0.96 gm/tonne) over 2 metres respectively. Intercept depths range from 40 to 149 metres. Results indicate that the San Jose epithermal target is underlain by an extensive mineralized system that is gold bearing. Trace elements, associated with gold mineralization and alteration at San Jose, show a west to east trend, suggesting the San Jose mineralization system extends to the west on the El Álamo claim.

In April, 2014 this area was covered by the Helicopter Airborne Gravity Gradiometer and Magnetic Survey.

Los Gemelos target

At Los Gemelos, two small hills crop out above the surrounding pediment; dozens of surficial mines and prospects have been worked by artisanal miners for the production of free gold associated with abundant calcite veins which cut calc-silicate altered carbonate rocks. Galore's 2008 program tested the bulk mining potential of the area by excavating a number of hand trenches in bedrock, which typically measured 20 metres in length and were sampled with continuous two metre long-chip samples.

Gold assays from the Los Gemelos samples range from trace to 33.70 gm/tonne over 1.7 metres. The lack of outcrop surrounding this area merits geophysical methods to confirm the extent of skarn mineralization immediately beneath the shallow alluvium. In April, 2014 the Helicopter Airborne Gravity Gradiometer and Magnetic Survey outlined a higher density area, which may have implications for skarn-related gold mineralization.

San Onesimo Target

In June, 2014 the Company signed an Option Agreement to acquire three claims totaling 5,603 hectares known as the San Onesimo property. These claims are located south and contiguous to Galore's Dos Santos property in northern Zacatecas State, Mexico. Previous work on the San Onesimo property confirmed that the favourable host rocks the Company is exploring on Dos Santos, underlie the San Onesimo claims. This is an early stage, underexplored property and a suitable target for applying Galore's Dos Santos exploration model. The San Onesimo claims were covered by the 2014 Heli-Falcon gravity magnetic survey flown over the Dos Santos property.

Under the San Onesimo Agreement, Galore may earn a 100% interest in the property by making escalating cash payments totalling US$508,000 (US$28,000 paid) over 5 years and issuing 1 million common shares of the Company by the contract completion date in 2019. The property optionors retain a 2% Net Smelter Royalty (NSR) from gold and silver production and 1% NSR from all other mineral production. These royalties may be purchased by Galore for US$ 1 million for each 1% NSR on or before the option completion date in 2019.

An option payment of US$30,000 was due on July 4, 2015 under the San Onesimo Option Agreement. This option payment has not been made and the Company is currently in negotiation with the owners for a payment extension.

TASEKO PROPERTY

Originally the Company had options to acquire 100% interests in five properties, covering 26,962 hectares, comprising the Taseko Claims. Some of these claims were returned to the vendor. Under the option agreement the Company earned a 90% interest in 23,899 hectares of optioned claims (subject to an NSR Royalty with a buyout) and owns an additional 7,937 hectares (the "Galore Claims") which are contiguous to the optioned claims and are not subject to any third-party ownership or royalty interests. The Taseko Claims and the Galore Claims form a 31,836 hectare contiguous block of claims referred to as The Taseko Property.

The Company had the right to purchase the remaining 10% interest on each of the properties, as well as an outstanding 1.5% Net Smelter Return royalty, for specific cash payments. In 2012 the Company elected not to make the required payments to earn the remaining 10% interest.

The Taseko Property covers 4 promising mineral prospects located along the eastern margin of the Coast intrusive complex. Mineralization of copper-molybdenum, copper-gold and gold mineralization in the area occurs within the intrusive rocks and the overlying meta-sedimentary and volcanic rocks. Field work on the Taseko Property in 2008, included property-wide prospecting, mapping and sampling, followed by a diamond drilling program. The diamond drilling phase of the program tested five targets with 3,004 metres in twelve holes. In October, 2009, a two hole, 800 metre diamond drill program was completed on the Hub porphyry copper-molybdenum prospect. The holes confirmed a south-western extension of mineralization encountered in a 2008 five-hole drill section.

A 1,500 line-kilometre airborne Z-TEM geophysical survey over the property commenced in late October, 2010 but was not completed because of poor weather conditions in the vicinity of the property. The Company successfully completed the survey in 2011 with encouraging results.

On July 15, 2014, the Company entered into an Option and Joint Venture Agreement with Amarc Resources Ltd. (TSX-V:AHR; OTCBB:AHR) covering the Taseko Project. The Taseko Project is located in south-central British Columbia, approximately 200 km north of Vancouver. Galore's interest in five properties comprising the Taseko Project was earned through work commitments, option payments and issuing shares of the Company to the original claim owners.

Under the Taseko Agreement, Amarc will be the operator and can acquire up to a 70% ownership interest in the Taseko Project claims. Amarc will acquire a 51% ownership interest in the Taseko Project claims by making cash and share payments totaling $450,000 over four years and by completing $3 million in exploration expenditures by December 31, 2019 (the "Initial Option"). Up to 50% of these payments may be made in shares at Amarc's discretion. Following the exercise of the Additional Option, Amarc can earn an additional 19% ownership interest in the Taseko Project claims (for a total of 70%) by spending an additional $2 million over two years.

Upon Amarc electing to earn or not earn the additional 19% interest, the Company and Amarc will form a joint venture to carrying out further exploration, development and production work on the Taseko project, with Amarc acting as the operator. If Amarc elects to earn the additional 19% interest, Amarc will hold a 70% interest in the joint venture, while the Company will hold a 30% interest. If Amarc elects not to earn the additional 19% interest, Amarc will hold a 51% interest in the joint venture, while the Company will hold a 49% interest.

On November 24, 2014 Amarc reported the discovery of a significant copper-molybdenum-silver porphyry discovery at its IKE property located adjacent to Galore's optioned Taseko property. A February 2015 presentation on Amarc's website outlines the discovery and early magnetic survey results from the optioned Taseko Project Mad Major target. Amarc geologists believe the geophysical expression and one Galore drill hole from 2008 points to similar potential mineralization at the Mad Major target.

Hub porphyry copper-molybdenum target

The Hub porphyry copper-molybdenum prospect is located approximately 20 kilometres south of Taseko Mine's Prosperity property, which is reported to be one of Canada's largest undeveloped copper-gold deposits. Work at the Hub in 2008 included prospecting, mapping, regional soil sampling and chip sampling of existing trenches, followed up by a drilling program of seven diamond drill holes, totalling 1,831 metres. Mineralization consists of a strong, quartz-sulphide stockwork, with copper and molybdenum sulphide concentrations over the entire length of the holes. Detailed mineralized intercepts were previously reported in the Company's MD&A for the year ended March 31, 2009. The mineralization is hosted by altered, multi-phase intrusive and volcanic rocks and is open in all directions and depth. A magnetic anomaly, interpreted as outlining this porphyry system, covers an area of approximately two kilometres by three kilometres. In 2009, a two hole, 800 metre diamond drill program was completed on the Hub prospect. Mineralized intercepts were previously reported in the Company's MD&A for the nine months ended December 31, 2009. The limits of the mineralization have not been defined.

Syndicate target

The Syndicate target is a zone of copper mineralization associated with a 100-metre-wide hydrothermal-breccia body. Mapping and sampling in 2008 outlined alteration and copper mineralization of greater than 0.1% copper over a one-by one-kilometre area. The most intense alteration and mineralization is associated with a breccia zone, which was tested by two drill holes. The best intersection grades 0.15% Cu and 0.11ppm Au over 153.5 metres, including 27 metres of 0.42% Cu and 0.44 g/t Au.

Spokane target

One diamond drill hole completed in 2008 tested quartz-chalcopyrite-pyrite veins exposed in existing trenches. This hole averages of 0.269% Cu and 0.0018% Mo over the entire hole length of 151.9 metres. The strongest mineralized zone returned 21 metres of 1.719% Cu, 0.0040 % Mo, 0.317 gm/tonne Au and 18.3 gm/tonne Ag. This interval includes two intercepts that returned 9 metres of 0.599% Cu, 0.0029% Mo, 0.035 gm/tonne Au and 2.0 gm/tonne Ag and 9.9 metres of 3.102% Cu 0.0057% Mo, 0.511 gm/tonne Au and 32.9 gm/tonne Ag.

Mad Major target

The Mad Major target is outlined by a seven-kilometre long copper-molybdenum soil geochemical anomaly. The surface mineralization in the area is hosted by structurally controlled, sheeted quartz-magnetite sulphide veins, developed in altered granodiorite. One diamond-drill hole tested the mineralized fractures and veins in 2008. This hole averages 0.117% Cu and 0.0045% Mo over 224.2 metres with individual sample intervals ranging from 0.031% Cu to 0.420 % Cu over 1.5 metres.

EXPLORATION EXPENDITURES

	Taseko Project	Dos Santos, Mexico	Total
	$	$	$
Balance, March 31, 2014	92,153	4,377,786	4,469,939
Acquisition costs	-	131,857	131,857
Amortization	-	1,251	1,251
Field office, travel and accommodation	-	44,145	44,145
Geological, geophysical and geochemical	-	40,657	40,657
Option payment received	(20,000)	-	(20,000)
Balance, March 31, 2015	72,153	4,595,696	4,667,849
Acquisition costs	-	-	-
Amortization	-	-	-
Field office, travel and accommodation	4,243	33,334	37,577
Geological, geophysical and geochemical	492	-	492
Option payment received	(40,000)	-	(40,000)
Balance, December 31, 2015	36,888	4,629,030	4,665,918

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out selected unaudited quarterly financial information and is derived from the Company's unaudited quarterly financial statements prepared by management.

Quarter ended	(Income) Loss before income taxes	Total Assets	Exploration and evaluation assets	Weighted average shares outstanding	Basic & diluted loss per share
December 31, 2015	$25,117	$4,749,758	$4,665,918	95,918,717	$0.00
September 30, 2015	$24,998	$4,754,573	$4,689,607	95,918,717	$0.00
June 30, 2015	$19,001	$4,757,917	$4,689,607	99,918,717	$0.00
March 31, 2015	$50,055	$4,745,766	$4,667,849	94,834,917	$0.00
December 31, 2014	$46,962	$4,565,359	$4,497,192	95,721,300	$0.00
September 30, 2014	$35,076	$4,572,402	$4,494,653	93,648,417	$0.00
June 30, 2014	$22,728	$4,542,220	$4,472,325	93,648,417	$0.00
March 31, 2014	$19,385	$4,547,335	$4,469,939	91,046,883	$0.10
December 31, 2013	$20,551	$4,546,173	$4,191,724	93,648,417	$0.00

Quarterly results will vary in accordance with the Company's exploration, financing and non-cash expenses such as stock compensation benefits and writing off of previously incurred exploration costs. The office and administrative costs vary mostly due to the accrual of stock based compensation which is dependent upon the size, timing and estimated fair value of the stock option granted. The Company's professional fees will vary in each quarter depending on financing and property acquisitions. The Loss before income taxes includes the office & administrative costs, general exploration costs not associated with an existing property of the Company less interest income earned.

RESULTS OF OPERATIONS

The Company's principal business activity is the acquisition and exploration of mineral properties. The Company currently has mineral property interests in Canada and Mexico.

The Company's net loss before taxes for the three months ended December 31, 2015 was $25,117 or $0.00 per share compared to net loss for the three months ended December 31, 2014 was $46,962 or $0.00 per share. The most significant contribution to the loss in the three months ended December 31, 2015 were consulting fees, management fees, corporate development and investor relations, interest expenses, office costs, rent, and foreign exchange.

During the three months ended December 31, 2015:

i) Office and miscellaneous decreased to $1,027 (2014 - $3,226) due to a decrease in office supplies.

ii) Rent decreased to $1,875 (2014 - $3,000) due to less office space in the period.

iii) Interest expense increased to $7,564 (2014 - $nil) due to amounts loaned to the Company in the current period.

iv) Trust and filing fees decreased to $559 (2014 - $4,385) due to decreased activities in the current period.

vi) Foreign exchange loss decreased to $590 (2014 – $1,779) due to variance changes in rates in the current period.

v) Corporate development and investor relations increased to $2,979 (2014 - $nil) due to the Company investigating potential investors.

LIQUIDITY AND CAPITAL RESOURCES

The Company is a mineral-exploration company with no producing resource properties, and consequently, does not generate operating income or cash flow. To date, the Company has relied primarily upon the sale of its common shares to provide working capital for exploration activities and to fund the administration of the Company. There can be no assurances that additional financing will be available to the Company when required.

During the nine months ended December 31, 2015, the Company did not issue any shares and did not grant any stock options.

As of December 31, 2015, the Company had cash of $45,516 compared to $7,490 as of March 31, 2015. There was a working capital deficiency as of December 31, 2015 of $201,613 (March 31, 2015 - $225,989).

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

A detailed summary of all the Company's related party transactions is included in Notes 5 of the Company's December 31, 2015 condensed consolidated interim financial statements.

OUTLOOK

The Company is in discussions with various companies for possible joint ventures. No definitive agreements have been reached.

PROPOSED TRANSACTIONS

At present there are no specific transactions being contemplated by management or the board that would affect the financial condition, results of operations and cash flows of any asset of the Company.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the Company's December 31, 2015 condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments, at December 31, 2015, consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. Cash has been classified as financial assets at fair value through profit of loss and is recognized at fair value. Amounts receivable have been classified as loans and receivables, the carrying values of which approximate their fair values due to their short term nature. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, measured at amortized cost using the effective interest rate method, however due to their short term nature, their carrying amounts approximate fair value**.**

OUTSTANDING SHARE DATA

The Company has one class of common share. As at the current date, there were 95,918,717 common shares outstanding.

The Company has a stock option plan. As at the current date, there were 6,975,000 stock options outstanding, all of which have vested.

The Company has 2,695,000 warrants outstanding at the current date.

CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholder's equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its exploration and evaluation assets and to provide sufficient funds for its corporate activities.

The Company's exploration and evaluation assets are in the exploration stage. As such, the Company is unable to self-finance its operations. Further, the Company expects its current capital resources will not be sufficient to complete its exploration and development plans and operations through its current operating period and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances.

There has been no change to the Company's capital management policy during the nine months ended December 31, 2015.

RISKS AND UNCERTAINTIES

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the ability to raise financing, title matters, metal prices, currency-rate fluctuations, and changing legislation and regulations. Risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

DISCLAIMER

The information provided in this document in not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.