GALORE
RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016

Date of Report: November 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 September 30, 2016, 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 six months ended September 30, 2016 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. The Company maintains a website at www.galoreresources.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 six months ended September 30, 2016 and to date (and the year ended March 31, 2016:

- On September 23, 2016, a further 875,000 incentive stock options, exercisable at $0.15 expired unexercised.

- On September 22, 2016, 2,270,000 warrants granted on October 7, 2014 with original expiry date of October 8, 2016 were extended to expire on October 8, 2019.

- On August 29, 2016 the Company completed the non-brokered private placement (the "Offering") originally announced April 11, 2016. The Company raised total gross proceeds of CDN $285,480 by the issuance of 11,419,184 units at a price of $0.025 per unit (the "Units"), with each Unit consisting of one common share and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company for a period of five years following closing of the Offering, at a price of $0.05 in the first year, $0.06 in the second year, $0.07 in the third year, $0.08 in the fourth year and $0.09 in the fifth year. Warrants will be subject to accelerated expiry provisions.

  Proceeds of the offering will be used to maintain and preserve the Company's existing operations, activities and assets, property taxes, and for working capital purposes. Up to $50,000 of the proceeds of the current financing may be used to discharge accrued liabilities due to related parties.

- On July 22, 2016, the Company announced that it agreed to sell its interest in the Taseko option agreement to Amarc Resources Ltd. for $550,000. The terms of the sale are outlined in a "Second Option Agreement" dated July 4, 2016. The terms include payments to Galore of $200,000 on signing (received); $160,000 on or before January 16, 2017, and a final payment of $190,000 on or before January 16, 2018. Upon exercising the Second Option Agreement, the original Taseko option agreement with Amarc will terminate and Amarc will acquire 100% of Galore's interest in the Taseko property. If the second option is not exercised, the original option agreement will remain in effect.

- On May 11, 2015, 725,000 incentive stock options, exercisable at $0.20 expired unexercised.

- On September 12, 2015, 5,790,000 Share Purchase Warrants, exercisable at $0.10 expired unexercised.

- On October 20, 2015, 250,000 incentive stock options, exercisable at $0.285 expired unexercised.

<u>DOS SANTOS, MEXICO</u>

The Dos Santos project in Zacatecas State, Mexico is the company's primary exploration focus. The property mineral tenures cover a gold exploration project located within the historic Concepcion del Oro mining district in northern Zacatecas State, Mexico. It 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. The property 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 deposit. 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-19th 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.

In 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 16 of these monthly payments and must pay the remaining $116,666 Pesos to acquire the surface rights. Payment of this amount has been 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 outline initial targets, which were then explored by 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 in October to December, 2010 with twelve diamond drill holes, totalling 4,973 metres. The drill holes are spaced from 280 to 860 metres apart and tested targets 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 rock 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 pulse of metals associated with hydrothermal fluids were discharged 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 these breccias. 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 of Goldcorp's Peñasquito mine. Our exploration model is based on this relationship. Diatreme intrusions at Peñasquito have been shown to have a lower density than their host rocks and are associated with intrusion-related magnetic anomalies. 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-kilometres (770 line-miles) 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. An assessment of the survey data by an independent geophysicist revealed encouraging anomalies in three areas of the property, which fit Galore's exploration model. Secondary geophysical anomalies, which may indicated other styles of mineralization, were also outlined by the survey.

Galore has prepared an exploration plan and budget to test these anomalies. Management is currently working to raise 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 associated with a strong magnetic response, 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 can 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. The agreement also requires the Company to pay annual taxes on the claims.

Option payments of US$30,000 and US$50,000 due under the San Onesimo Option Agreement have not been paid; however, the Company has made arrangements to make these two options payments in February 2017.

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.

Amarc's 2015 exploration program centred on their IKE porphyry copper system but also included twelve man-days of geological mapping and thirteen man-days of soil, talus fine and rock geochemical sampling in the Mad Major area. This work confirms and extends previous surveys indicating that Mad Major is a prospective area for porphyry copper-molybdenum mineralization.

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. Galore tested the known mineralization with one diamond drill hole 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.

On July 4, 2016, the Company signed a "Second Option Agreement" with Amarc Resources to sell its interest in the Taseko option agreement for $550,000. The terms of the sale include payments to Galore of $200,000 on signing (received); $160,000 on or before January 16, 2017 and a final payment of $190,000 on or before January 16, 2018. Upon exercising the Second Option Agreement, the original Taseko option agreement with Amarc will terminate and Amarc will acquire a 100% of Galore's interest in the Taseko property. If the second option is not exercised the original option agreement will remain in effect.

EXPLORATION EXPENDITURES

	Taseko Project	Dos Santos, Mexico	Total
	$	$	$
Balance, March 31, 2015	72,153	4,595,696	4,667,849
Acquisition costs	-	106,563	106,563
Amortization	-	2,388	2,388
Assay and analysis	-	2,750	2,750
Camp cost, logistics and community	-	31,705	31,705
Field office, travel and accommodation	4,243	27,649	31,892
Geological, geophysical and geochemical	492	15,094	15,586
Option payment received	(40,000)	-	(40,000)
Balance, March 31, 2016	36,888	4,781,845	4,818,733
Amortization	-	1,329	1,329
Camp cost, logistics and community relations	-	7,040	7,040
Field office, travel and accommodation	-	4,741	4,741
Geological, geophysical and geochemical	-	31,749	31,749
Option payment received	(36,888)	-	(36,888)
Balance, September 30, 2016	-	4,826,704	4,826,704

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
September 30, 2016	$(99,482)	$5,210,909	$4,826,704	103,336,011	$0.00
June 30, 2016	$24,006	$4,911,434	$4,821,204	95,918,717	$0.00
March 31, 2016	$17,904	$4,852,070	$4,818,733	95,918,717	$0.00
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	95,918,717	$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

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 income before taxes for the three months ended September 30, 2016 was $99,482 or $0.00 per share compared to a net loss before taxes of $24,998 or $0.00 per share for 2015. The most significant contribution to the income in the three months ended September 30, 2016 were receipt of option payments, management fees, trust and filing fees, and corporate development and investor relations.

During the three months ended September 30, 2016:

i) Income from option payments increased to $163,112 (2015 - $nil) due to Taseko exploration costs having been fully recovered through previous option payments.

ii) Management fees increased to $25,000 (2015 - $720) due to increased activities in the period and new commitment agreements.

iii) Trust and filing fees increased to $12,574 (2015 - $2,393) due to the private placement and increased activities in the current period.

v) Corporate development and investor relations increased to $3,234 (2015 - $86) due to increased activities in the current period.

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 six months ended September 30, 2016, the Company did not issue any shares and did not grant any stock options.

As of September 30, 2016, the Company had cash of $357,382 compared to $11,015 as of March 31, 2016. There was a working capital deficiency as of September 30, 2016 of $62,017 (March 31, 2016 - $385,146).

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 note 5 of the Company's September 30, 2016 condensed consolidated interim financial statements. Further, a detailed summary of amounts due to related parties is included in note 6 of the Company's September 30, 2016 condensed consolidated interim financial statements.

COMMITMENTS

A detailed summary of all the Company’s commitments is included in note 12 of the Company's September 30, 2016 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 September 30, 2016 condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company’s financial instruments, at September 30, 2016, consist of cash, deposit, 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. Deposit and 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 are 107,337,901 common shares outstanding.

No class A or class B preference shares have been issued.

The Company has a stock option plan. As at the current date, there were 6,100,000 stock options outstanding, all of which have vested.

The Company has 25,225,484 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 six months ended September 30, 2016.

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.