AMATO EXPLORATION LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS OF OPERATIONS - FORM 51-102F1
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2017

This Management's Discussion and Analysis ("MD&A"), prepared as of April 21, 2017, reviews the financial condition and results of operations of Amato Exploration Ltd. ("Amato" or the "Company") for the three months ended February 28, 2017, and other material events up to the date of this report. The following discussion should be read in conjunction with the Company's November 30, 2016 audited annual financial statements and related notes prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars, the Company's reporting currency, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, the Company's plans to acquire mineral properties, the Company's exploration programs, the Company's future plans for its exploration properties and the Company's plans with respect to financing activities. In making these forward-looking statements, the Company has applied several material assumptions, including, but not limited to, the assumption that any additional financing needed will be available on reasonable terms, and the assumption that a sudden change in foreign exchange rates would not materially affect the results of operations, financial position and cash flows as the Company currently has no transactions denominated in foreign currencies. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: the execution and outcome of current or future exploration activities; information included or implied in the various independently produced and published technical reports; anticipated drilling and resource estimation plans; cash flow projections; currency fluctuations; and other general market and industry conditions as well as those factors discussed in the section entitled "Risks and Uncertainties" in each management discussion and analysis, available on SEDAR at www.sedar.com.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive from them.

Except as required by law, the Company disclaims any intention and assumes no obligation to update any forward-looking statements, even if new information becomes available, as a result of future events or for any other reason. Risks that could cause the Company's actual results to materially differ from its current expectations are described in this document.

DESCRIPTION AND OVERVIEW OF BUSINESS

Amato Exploration Ltd. is a resource exploration company that was listed on the TSX Venture Exchange (the "TSX-V", or the "Exchange"), trading under the symbol "AMT". On January 15, 2016, the Company issued a news release advising that, in accordance with TSX Venture Exchange Policy 2.5, it had not maintained the requirements for a Tier 2 company. The Company transferred its shares from trading on the TSX Venture Exchange and transitioned to the NEX board of the exchange. Effective as of market open on January 18, 2016, the Company's listing transferred to NEX, the Company's tier classification changed from Tier 2 to NEX, and the filing and service office changed from Vancouver to NEX. As of January 18, 2016, the company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies.

The trading symbol for the company changed from AMT to AMT.H. There is no change in the company's name, no change in its Cusip number and no consolidation of capital. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX-V.

The Company is in the business of acquiring, exploring and evaluating mineral properties worldwide. As a result of the current low valuation of precious metal reserves, Amato has initiated a strategy to aggressively identify and seize opportunities to acquire such reserves on a long-term horizon. The Company intends to inventory and strategically develop each prospective project paying particular attention to acute project development timing, minimizing dilution to shareholders and conceiving executable exit strategies.
Currently the Company holds no interest in any resource properties and continues to search and evaluate prospective opportunities. Therefore, there are no producing properties, and consequently the Company has only interest revenue and has negative cash flows. In the past, the Company has accessed, and in the future will continue to access, the equity markets to raise the funds needed to continue to conduct property investigation activities to acquire economically viable mineral properties, to conduct exploration programs on its various property holdings, once acquired, and to meet its ongoing working capital requirements.

RESULTS OF OPERATIONS

The Company has no producing properties and has not earned any revenue to date other than nominal interest from its cash balances. The Company is continuing to search for prospective properties and opportunities while maintaining a practical cash burn in order to meet its near term financial commitments.

For the three months ended February 28, 2017 ("Q1 2017"), the Company reported a net and comprehensive loss of $13,269 or $0.00 per share compared to $13,147 or $0.00 loss per share for the same three month period in 2016 ("Q1 2016"). Cash outflows from operations for Q1 2017 were $8,409 compared to $6,738 for Q1 2016. The $122 increase in the net and comprehensive loss for Q1 2017 from Q1 2016 is mainly due to reduced interest income on the Company's cash balances, offset by slightly decreased filing and transfer agent fees, and decreased office and general expenses.

Expenses

Rent expense for Q1 2017 and Q1 2016 was $6,000 each quarter. Management and consulting fees for Q1 2017 and Q1 2016 remained unchanged at $3,000 per quarter. The management fee as a whole represents the level of support required to maintain the Company in good standing with the securities regulators while it completes its search to acquire economically viable mineral properties that are aligned with the Company's strategic vision. Professional fees (audit expenses) also remained constant quarter over quarter at $2,750 for Q1 2017 and Q1 2016. Filing and transfer agent fees decreased slightly to $1,955 for Q1 2017 from $2,011 for Q1 2016. The decrease is attributable to lower news release fees, offset slightly by higher transfer agent fees. Office and General expenses decreased from $213 in Q1 2016 to $172 in Q1 2017, which is attributable to lower bank service charges. Management is continuing to effectively manage its limited cash resources and maintain a practical cash burn.

Overall, expenses have declined slightly, as management seeks to keep expenses as low as possible. For more information on the operating expenses, refer to page 7 under "Additional Disclosure for Venture Issuers Without Significant Revenue".

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenue	Net income (loss)	Net (loss) per share – basic[1]
February 28, 2017	$Nil	$ (13,269)	$0.00
November 30, 2016	$Nil	$ (14,961)	$0.00
August 31, 2016	$Nil	$ (17,803)	$0.00
May 31, 2016	$Nil	$ (13,815)	$0.00
February 29, 2016	$Nil	$ (13,147)	$0.00
November 30, 2015	$Nil	$ (13,107)	$0.00
August 31, 2015	$Nil	$ (13,720)	$0.00
May 31, 2015	$Nil	$ (22,637)	$0.00

[1] Diluted loss per share amounts would be the same as the basic loss per share as the dilutive factors would be anti-dilutive.

It is the nature of junior exploration companies, as with the Company, that there are no sales or revenues. There can be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. Mineral expenditures can vary from quarter to quarter depending on when option payments are due and the stage of the exploration program (e.g. drilling may slow down for a period of time while results are analyzed, resulting in lower costs during that period). Additionally, the granting of incentive stock options, which results in the recording of amounts for stock-based compensation can be quite large in relation to other general and administrative expenses incurred in any given quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash flow. The Company's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors that are beyond the control of the Company.

In order to finance its exploration activities and corporate overhead, the Company is dependent on investor sentiment remaining positive towards the exploration business generally, and towards Amato in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment which include, but are not limited to, a positive climate for mineral exploration, a company's track record and the experience and caliber of a Company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. The financial statements do not include any adjustments that might result from the going concern uncertainty.

The interim financial statements of the Company for the three months ended February 28, 2017 were prepared on the assumption that the Company and its subsidiaries will be able to realize its assets, discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, the financial statements do not include any adjustments to the recoverability and reclassification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The company's commitments include rental payments and consulting services fees. The rental payments total $2,000 per month, payable on a month-to-month basis, and compensation for consulting services total $1,000 per month, which may be terminated at any time with provision of one month notice.

To date, the Company has financed its activities through brokered and non-brokered private placements and its initial public offering. Debt financing has not been used to fund property acquisitions and exploration and the Company has no current plans to use debt financing to fund these activities.

Cash and Financial Condition

The Company's cash and cash equivalents balance was $412,361 as at February 28, 2017 compared to $420,770 at November 30, 2016. The decrease of $8,409 was due to the net loss and changes in other working capital items.

The Company had working capital of $396,160 as at February 28, 2017 compared with working capital of $409,429 as at November 30, 2016. The decrease in the working capital of $13,269 is due to operational expenditures.

The Company's financial instruments are cashable at any time and, as such, there are no restrictions on availability of funds. The Company does not have any lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements. The Company does not use hedges or other financial derivatives.

Investing Activities

For the three months ended February 28, 2017, the Company did not incur any mineral property expenditures.

Financing Activities

During Q1 2017 and Q1 2016, the Company did not conduct any brokered or non-brokered financings as it had sufficient cash on hand to satisfy its near-term obligations. The Company has continued to evaluate its current project proposals to determine its funding requirements for the next 12 - 18 months.

Disclosure of Outstanding Share Data

At the date of this MD&A, the Company had 40,486,656 common shares issued and no stock options outstanding.

Outlook

The Company expects that its current capital resources will be sufficient to support existing administrative and operational costs for the next twelve months. Upon the completion of a successful negotiation of a new property acquisition, management will determine if additional equity or other non-dilutive financing is required to meet the Company's financial commitments going forward. If additional financing is required, there is no assurance that working capital together with equity market financings will be adequate or viable to fund the Company's financial obligations, given the volatility experienced in the global securities markets during the past few years. These financial obligations include, but are not limited to, property acquisition and related exploration activities; payments pursuant to the terms of property acquisition agreements; and, corporate overhead.

While the financial statements for the three months ended February 28, 2017 were prepared on the basis of accounting principles applicable to a going concern, current market conditions, including limited availability of financing opportunities, cast substantial doubt upon the validity of this assumption.

Due to the current low valuation of precious metal reserves, Management and the Board of Directors are in the process of identifying opportunities to acquire such reserves, with the intent to develop each prospective project, add shareholder value and, ultimately, executable and profitable exit strategies.

TRANSACTIONS WITH RELATED PARTIES

Included in expenses are the following transactions with certain officers and companies controlled by directors of the Company:

	Three Months Ended February 28, 2017	Three Months Ended February 29, 2016
Consulting Fees	$ 3,000	$ 3,000
Rent	6,000	6,000
	$ 9,000	$ 9,000

a) Management and consulting fees are compensation to officers for their service. These personnel consist of the CEO and the CFO.
b) The Company rents its office space from Sheridan Brothers LP on a month-to-month basis. This entity is related to the corporation through common officers and directors.

RISKS AND UNCERTAINTIES

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable resource. Exploration activities are also expensive. Exploration activities are subject to environmental risks. There can be no assurance that the Company's working capital will be sufficient to reclaim potential environmental liability created by exploration. The Company currently has limited working capital and incurs significant expenses on an on-going basis by virtue of being a public company, and this represents a significant risk factor. The Company will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. The Company disclaims any obligation to revise any forward looking statements as a result of information received after the fact or regarding future events except as required by law.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the amounts reported in the audited financial statements. These critical accounting estimates represent management estimates that are uncertain and any changes in these estimates could materially impact the Company's financial statements. We continuously review our estimates and assumptions using the most current information available.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with remaining maturities of less than three months at the date of acquisition. Cash and cash equivalents include accrued interest on short-term investments.

Financial Instruments

(i) Classification:

Cash equivalents and other current assets are classified as loans and receivables and are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost using the effective interest method.

(ii) Financial instruments at amortized cost:

Financial assets that are managed to collect contractual cash flows on specified dates are classified as subsequently measured at amortized cost using the effective interest method. These financial assets are recognized initially at fair value plus directly attributable transaction costs.

Financial assets at amortized cost are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired, the impairment provision is based upon the expected loss.

Financial liabilities, other than those classified as FVTPL are classified as subsequently measured at amortized cost using the effective interest method. These financial liabilities are recognized initially at fair value net of directly attributable transaction costs.

The effective interest method is a method for calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no material off-balance sheet arrangements.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Amato can be found on the SEDAR website at www.sedar.com.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Analysis of Operating Expenses

	Three Months Ended February 28, 2017	Three Months Ended February 29, 2016
Operating Expenses		
Rent	6,000	6,000
Management and consulting fees	3,000	3,000
Professional fees	2,750	2,750
Filing and transfer agent fees	1,955	2,011
Office and General	172	213
Total Operating Expenses	$ 13,877	$ 13,974