EQUITORIAL EXPLORATION CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

1.1 DATE OF REPORT APRIL 28, 2016

1.2 OVERALL PERFORMANCE

General

Equitorial Exploration Corp. (the "Company") was incorporated on September 21, 2010 under the laws of the British Columbia Business Corporations Act. The Company was listed on TSX Venture Exchange on July 14, 2011. The Company is currently in the process of pursuing and developing new business ventures.

The following Management Discussion and Analysis has been prepared as of April 28, 2016, should be read in conjunction with the audited financial statements for the years ended December 31, 2015 and 2014 and related notes attached thereto, which are prepared in accordance with IFRS. All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Information

This Management discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Equitorial Capital Corp. ("Equitorial" or the "Company") that are based on the beliefs of its management, as well as assumptions made by the information currently available to the Company. When used in this document, the words, "anticipate", "believe", "estimate", "expect", and similar expressions, that relate to the Compnay or its management, are statements relating to, amongst other things, regulatory compliance, the sufficiency of working capital, the estimated cost and availability of funding, for the continued exploration and development of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements that may be expressly implied by such forward looking statements. Important factors are identified in this MD&A.

Management: The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

On March 11, 2015, Mr. Frank Hegnar resigned as a director of the Company. Mr. Hegner has served previously as the Company's President and on the Company's board of directors since 2012.

On September 29, 2015, Mr. Patrick Power resigned as CEO, Secretary, and director of the Company. Mr. Power has served on the Company's board of directors since September 21, 2010.

On December 7, 2015, Mr. Binny Jassal, Mr. Jack Bal and Mr. Saf Dhillon have appointed director of the Company.

On November 5, 2015, Mr. Dean Pekeski has appointed interim CEO and President of the Company. Mr. Pekesi has previously served president and director of the Company.

Requirement of New Capital: As a new company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise, by way of debt and equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth.

Cardiff Energy Corp. Joint Venture

On September 24, 2015, the Company signed a Participation and Joint Venture Agreement with Cardiff Energy Corp. ("Cardiff") to fund the completion of Clayton #1H well and to help expedite the development of its Runnels County oil and gas leases in Texas. Cardiff is a public company listed on the venture board of the Toronto Stock Exchange with the ticker symbol CRS. The Company and Cardiff have one common director who is also the president, director and chief financial officer of Cardiff.

Under the terms of the Joint Venture Agreement, the Company will purchase a 15% working interest ("**WI**") in Clayton #1H from Cardiff for USD$270,000 and will have the opportunity to fund and purchase a 40% WI on all future wells drilled on Cardiff's leases in Runnels County. The Company paid entire USD$270,000 during the year ended December 31, 2015.

Overall Performance Cardiff Energy Corp. Joint Venture

On October 24, 2015, the Company further increased additional 15% working interest, bringing total interest to 30%. The cost to participate for an additional 15% interest is USD$360,000. During the year ended December 31, 2015, the Company has paid USD$180,344.

During the fourth quarter of 2015, the Company continued to focus on the Clayton #1H located on their 467 Acre Oil and Gas lease in in Runnels County, Texas.

On October 5, 2015 the Company announced that casing of the Clayton #1H has commenced. Cement crew will arrive today and once complete preparations and commencement of 5 days of horizontal drilling will take place. On October 6, 2015 the Company reported that the Clayton #1H was successfully cased and cemented to total depth. On October 9 the Company reported that the casing cement of the Clayton #1H has cured and site and equipment preparations are in their final stages with lateral drilling scheduled to commence shortly. Following lateral drilling the Company will test the well and release an initial flow rate.

On October 19, 2015 the Company provided an update on the lateral drilling of the Clayton #1H. Martin Energies, Operator of the Clayton #1H, states "We have landed the lateral into the

Gardner Lime and have encountered significant Gas and Oil shows, indicating a zone with strong potential. The zone came in structurally at a very favourable sub sea level.

On October 23, 2015 the Company provided a follow up to their October 19, 2015 news release. Lateral drilling of the Clayton #1H currently resides at 6500ft with the remaining footage to be completed this weekend. Martin Energies, operator of the Clayton #1H states; "During the past few days of drilling numerous impressive gas kicks and oil shows were encountered. The deeper into the zone we drill the formation appears to be much richer in hydrocarbons. With drilling scheduled to be completed this weekend we are looking forward to testing the well." The Company is also announced that they acquired an additional 15% bringing their WI to 30%.

On October 26, 2015 the Company reported that Martin Energies, Operator of the Clayton #1H reports; "We have completed the lateral drilling of the Clayton #1H and will be commencing completion activities shortly. The lateral was drilled with no issues, and encountered numerous strong gas kicks and oil shows from the Gardner zone. We have high expectations for this well." The next steps involve equipment being released and the site being prepared to allow completion activities to commence.

On November 23, 2015 the Company announced that the new Operator of the Clayton #1H, Eastern Shelf Operating LLC is on site and is commencing work to prepare for the initial production test. The results of the test are expected later this week and will be shared with the market as soon as they are available. A high powered water and chemical treatment was applied to the Clayton #1H to enlarge the pore spaces and passages through which the Gardiner Lime formation will flow. Following the treatment the crew began to swab the well in preparation for the flow test. The crew worked hard to be in a position to complete the flow test late last week, however, with a severe weather pattern in the forecast and American Thanksgiving the Company with input from the Operator decided to hold off on the test until this week.

On December 9, 2015 the Company provided a follow up to their November 30, 2015 news release. Eastern Shelf Operating LLC, Operator of the Clayton #1H, swabbed the well for 3 days with the objective of unloading the completion fluid from water jetting that was used to clean the Gardner Lime formation. The swabbing operation was successful in recovering a large amount of completion fluid with significant oil and gas shows. With these positive results the Operator decided to install a Moyno production pump which required the installation of 3200ft of new production tubing to accelerate the removal of the completion fluid. The pump was installed on Saturday December 5, 2015 and began pumping completion fluid out of the formation. Continuous pumping of the well has demonstrated that the Gardner has strong inflow, and is flowing completion fluid along with good gas flow and increasing oil showings. Additional tubing is being installed today to allow the production pump to extract from the 4200ft level which is the beginning of the lateral. The Company expects the completion fluid to decrease and hydrocarbons to be the dominant flow. Once the completion fluid is depleted the Operator will commence flow testing of the Clayton #1H well.

On December 21, 2015 the Company announced that that the Operator, Eastern Shelf Operating LLC, has commenced the flow test on the Clayton #1H and results are expected later this week and on December 22, 2015 the Company announced that the Operator, Eastern Shelf Operating

LLC, has completed an initial flow test on the Clayton #1H reporting an initial flow rate of 275 Barrels of Oil Per Day without any stimulation to the formation. Furthermore, early in the New Year the Company has plans to apply an acid treatment to the Clayton #1H which has the potential to substantially increase the flow rate.

Mag One Products Inc.

On March 11, 2016, the Company entered into agreement with Mag One Products Inc. ("Mag One"), in which Mag One has granted the Company a first right to a 50/50 JV to fund equally the construction of the first magnesium and refining production facility for use by Mag One to produce magnesium metal and related products, by using its proprietary magnesium metal technology upon Equitorial completing its investment of $1.5 million Canadian dollars to Mag One.

The terms of the JV shall be set out in a formal JV agreement once the Investment is in place. Upon the successful completion of the first production and refining facility under the JV terms, Equitorial shall then have the first right to enter into a further 50/50 JV in regard to participate to funding of the construction of the second production and refining facility on the same terms as the first JV. Equitorial will also have the right to fund other production facilities on a 50/50 JV, on a non-exclusive basis, with Mag One once the first 2 facilities are funded and in operation.

Mineworx Technologies Inc. (formerly, First Nevada Mining Corp.) ("Mineworx" or "First Nevada").

On August 23, 2013, the Company signed assignment and value purchase agreement with Phoenix Gold S.A.S ("Phoenix") to purchase a newly built, 30 tonne per hour, modular, recovery plant (the "Plant") from a manufacturer. Phoenix has assigned its rights, and interest in the Plant to the Company in exchange for a cash consideration of USD $25,000, and the issuance of 350,000 common shares (the "Shares") in the capital of the Company at a fair value of $108,500. Furthermore, under the terms of the agreements, the Company has further completed the purchase of the Plant from the manufacturer for $75,000. The Company also issued 100,000 shares of the Company at a fair value of $31,000 as a finder's fee. The Company spent a total of $255,067 on this asset as at December 31, 2013. The Plant was subsequently sold to First Nevada.

On March 18, 2014, the Company acquired (the "Acquisition") a 45% ownership of Mineworx Technologies Inc. (formerly, First Nevada Mining Corp.) ("Mineworx" or "First Nevada") pursuant to a share purchase and option agreement (the "Agreement") dated February 5, 2014 with Mineworx. As a result of the Acquisition, the Company received an aggregate of 11,843,453 common shares of Mineworx (received) in exchange for issuing certain of Mineworx's existing shareholders 5,000,000 shares (issued) in the capital of the Company at a fair value of $1,500,000, paying Mineworx $750,000 cash (paid), and transferring title to the Company's IGR 3000, 30 tonne per hour, modular, heavy mineral recovery plant (Note 6) to Mineworx (transferred). In connection with closing the Acquisition, the Company issued 500,000 shares at a fair value of $150,000 as a finder's fee.

Within 24 months, the Company can acquire a further 4% ownership in Mineworx by providing Mineworx with the greater of an additional $750,000 to be used for exploration and development or a price per Mineworx equal to the price per Mineworx share paid in the most recent Mineworx equity financing (if applicable) subsequent to the closing of an acquisition of a 45% ownership of Mineworx. Due to having a significant influence over Mineworx, effective March 18, 2014, the Company has adopted equity method to record its investment with Mineworx.

On November 13, 2015, the Company entered into a debt settlement and share distribution with MineWorx. The Company received 5,181,547 shares (the "**Settlement Shares**") in the capital of MineWorx, at a deemed price of $0.156043641 per share to settle outstanding debt of $956,547.46 owed to the Company by Mineworx pursuant to a loan agreement between the Company and MineWorx dated October 27, 2014. As part of the debt settlement, MineWorx also agreed to assume $148,000 of debt owing by the Company to certain third-party creditors.

The Company previously held 11,843,453 shares of MineWorx and following issuance of the Settlement Shares holds 17,025,000 MineWorx shares (the "**MineWorx Shares**").

On November 16, 2015, the Company announced that Mineworx has entered into an amalgamation agreement with Iberian Minerals Limited **("Iberian")**, and a newly incorporated subsidiary of Iberian **("Subco")**, dated November 16, 2015 pursuant to which Iberian has agreed to acquire all of the outstanding shares of Mineworx by way of a three-cornered amalgamation. Under the terms of the amalgamation agreement, Mineworx and Subco will amalgamate under the Business Corporations Act (British Columbia) and continue as one corporation, which is a wholly owned subsidiary of Iberian and will carry on the business of Mineworx following the completion of the transaction.

Under the terms of the amalgamation agreement, Mineworx shareholders will receive approximately 2.53646 common shares of Iberian for every one Mineworx common share. In connection with the transaction, Iberian will issue approximately 83,999,941 Iberian shares to the Mineworx shareholders. Upon completion of the transaction, Iberian expects to have approximately 243,380,078 Iberian shares issued and outstanding, of which the former holders of Mineworx will hold approximately 34.5 per cent. As previously announced on October 13, 2015, the Company holds 17,025,000 Mineworx shares.

On December 21, 2015, Iberian completed the acquisition of Mineworx as a result Equitorial were entitled to receive 43,183,232 Iberian Shares. On January 15, 2016, these shares were issued to Equitorial which then owns and controls 43,183,232 common shares of Iberian or approximately 17.73% of the 243,480,080 issued and outstanding common shares of Iberian on an undiluted basis.

El Havila Copper-Gold Property

Pursuant to an assignment agreement dated February 28, 2013 as amended by amendment agreement dated April 9, 2013 with Arctic Star Exploration Corp. ("Arctic"), a TSX-V listed company, Arctic assigned to the Company a 60% of Arctic's interest in and to the mineral concession located in Dabeiba, Antioquia, Colombia, known as the El Hávila copper-gold

property (the "Property" or the "EL Hávila Property") by way of Arctic transferring a 60% ownership in Arctic's Panamanian subsidiary to the Company. In consideration of the assignment, the Company reimbursed Arctic for the US $200,000 payment made by Arctic to an original owner of the Property on February 15, 2013. The corporate structure of the interests held by the Company and Artic, after a completion of the Qualifying Transaction, is that Arctic owns forty percent (40%) and the Company owns sixty percent (60%) of the outstanding shares of a Panamanian company now named Equitorial Exploration International Corp., which owns one hundred percent (100%) of the outstanding shares of a second Panamanian company now named Equitorial Exploration Colombia Corp., which owns one hundred percent (100%) of the outstanding shares of a Colombian company now named Equitorial Exploration Colombia S.A.S., which owns eighty-five percent (85%) interest in the EL Hávila Property. The Company has closed the Qualifying Transaction on May 23, 2013 and consequently, the Company has graduated from being a capital pool company to a "Tier 2" mining issuer on the Exchange.
As announced in a news release of November 25, 2013, Equitorial holds an effective 51% interest in the El Havila property. Arctic Star Exploration Inc. holds an effective 34% interest in the El Hávila Property and the remaining 15% interest is held by the vendor.

On March 24, 2014, Equitorial and Arctic Star Exploration Inc. entered into a joint venture agreement to further explore and evaluate the El Hávila Property and to contribute to exploration and development costs in proportion to their interests. The initial interests of the Company and Arctic Star in the joint venture are 60% and 40%, respectively. Equitorial will be the operator of the El Hávila Property. If a participant elects not to contribute to a program approved by the Management Committee, or fails to contribute after having elected to do so, that participant's interest in the El Hávila Property will be reduced in accordance with a dilution formula. If a participant's interest is diluted to less than 10%, its interest will be relinquished and converted to a 10% net smelter returns royalty.

The Company has no plan to perform any work on this property, therefore this property has been written-off during the year ended December 31, 2015.

1.3 SELECTED FINANCIAL INFORMATION

	December 31, 2015	December 31, 2014	December 31, 2013
Total revenues	$ -	$ -	$ -
Income (loss) before other items	(837,469)	(1,118,106)	(779,065)
Net income (loss) attributable to shareholders of the Company	(183,328)	(1,602,076)	(731,713)
Income (loss) per share basic and diluted	(0.00)	(0.06)	(0.06)
Total assets	4,982,249	3,743,665	1,429,227

1.4 RESULTS OF OPERATIONS

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting

Interpretations Committee ("IFRIC").

The Company recorded a net loss (attributable to shareholders of the Company) for the year ended December 31, 2015 of $183,328 ($0.00) per share) and had cumulative deficit of $2,762,519 as compared to cumulative deficit of $2,579,191 for the year ended December 31, 2014.

Twelve Months Ended December 31, 2015 Compared to Twelve Months Ended December 31, 2014

The total expenses were $837,469 a decrease of $280,637 compared to $1,118,106 for the comparable period of the prior year.

Accounting and audit fees were decreased by $9,250. This was due to decreased audit costs.

The consulting fees were decreased by $34,905. This was due to decreased costs associated with property in Colombia.

Exploration expenses were decreased by $194,995. The Company does not have any plan to work on its property in Colombia, the property has been written – off.

The Filing fees were decreased by $5,619. Last year, the Company paid higher filing fees in related to acquisition of First Nevada.

The legal fees were decreased by $99,519. Last year, the Company incurred higher legal fees due to the costs associated with investment in associate's agreement.

Office expenses were decreased by $35,875. This was due to decreased office activities in Canada and the closure of the office in Colombia.

The rent expenses were decreased by $45,199. This was due to re-negotiation of the rent in lower rates.

The shareholder information expenses were increased by $116,635. These increased costs associated with the increase in corporate development and marketing activities.

The Company granted 2,600,000 options at $0.09 and 500,000 at $0.075 and recorded $223,970 as a stock based compensation expenses.

The travel expenses were decreased by $6,830. This was due to less travel in relation to the closure of Colombia office during the period.

The Company wrote-off $1,072,963 of El Havila property in Colombia.

As at December 31, 2015, the Company was entitled to 43,183,232 common shares of Iberian, a public company trading on TSX-Venture Board with ticker symbol IML. The fair value change is $863,665.

Gain on disposal of investment of $ 1,021,170 was related to the de-recognition of the investment in Mineworx and the recognition of the financial asset of the entitlement of receiving the shares in Iberian Minerals on December 21, 2015, the completion date of the Amalgamation Agreement (Refer to section 1.2 Mineworx Technologies Inc.). The gain represents the difference between carrying value of the investment in Mineworx de-recognized and the fair value of the Iberian Shares on December 21, 2015.

Loss on associate $407,259 was related to the 42% equity share of loss incurred by Mineworx up to November 16, 2015, the date of announcement of the Amalgamation between Mineworx and Iberian.

1.5 SUMMARY OF QUARTERLY RESULTS

Quarter ended	Revenue	Net loss	Net loss per share
	$	$	$
December 31, 2015	0	458,736	0.01
September 30, 2015	0	(221,048)	(0.01)
June 30, 2015	0	(229,026)	(0.01)
March 31, 2015	0	(191,990)	(0.01)
December 31, 2014	0	(554,240)	(0.02)
September 30, 2014	0	(302,853)	(0.01)
June 30, 20014	0	(590,468)	(0.02)
March 31, 2014	0	(302,794)	(0.01)

Due to fair value change of marketable securities and gain on disposal of investment in association, the net profit was $458,736 for the period ended December 31, 2015.
Largely due to the loss from investment in associates of $353,835, the net loss for the period ended December 31, 2014 was $554,240.

1.6 LIQUIDITY

As at December 31, 2015, the Company had working capital of $3,529,644 as compared to working capital deficiency of $140,405 on December 31, 2014.

Cash Flow from Operations

During the year ended December 31, 2015, the Company had cash out-flow from operations ($430,128) compared to ($986,269) from previous year. During the period, the company increased accounts receivable by $3,783, decreased prepaid expenses by $31,282, increased due to related parties by $6,321 and increased accounts payable by $143,564.

Investing Activities

During the year ended December 31, 2015, the net cash from investing activities were ($1,012,803). During the period, the loan receivables increased by $502,626 and due to related parties decreased by $81,600. Property acquisition costs were increased by $591,777.

Financing Activities

During the year ended December 31, 2015, the Company raised $1,452,843 through private placements and exercised of warrants. The share issue costs were $88,057.

Since incorporation, the Company's capital resources have been limited. The Company has to rely upon the sale of equity and debt securities for cash required for administration, acquisitions and exploration programs, among other things. While there are presently no known specific trends, events or uncertainties that are likely to result in the Company's liquidity decreasing in any material way over the next year, it is unlikely that significant cash will be generated from operations over this period. Since the Company is unlikely to have significant cash flow, the Company will have to continue to rely upon equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company is engaged in the acquisition, exploration and development of natural resource properties.

1.7 CAPITAL RESOURCES

On February 3, 2015, The Company closed the fourth tranche of its non-brokered private placement by issuing 900,000 units of the Company at a price of $0.15 per Unit for gross proceeds of $135,000, which were received by the Company as at December 31, 2014. Each Unit consists of one common share of the Company and one half of one transferable share purchase warrant. Each Warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.25 per common share. The Company paid cash finder's fee of $13,500 and issued 90,000 broker's warrants. Each Broker's Warrant is exercisable to acquire an additional common share of the Company for a period of two years at a price of $0.25 per common share.

On March 3, 2015, The Company closed the fifth and final tranche of its non-brokered private placement by issuing 1,419,666 units of the Company at a price of $0.15 per Unit for gross proceeds of $212,950. Each Unit consists of one common share of the Company and one half of one transferable share purchase warrant. Each Warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.25 per common share. The Company paid cash finder's fee of $5,050 and issued 33,666 broker's warrants. Each Broker's Warrant is exercisable to acquire an additional common share of the Company for a period of two years at a price of $0.25 per common share.

On April 14, 2015, The Company closed its non-brokered private placement by issuing 824,734 units of the Company at a price of $0.15 per Unit for gross proceeds of $123,710. Each Unit consists of one common share of the Company and one half of one transferable share purchase warrant. Each Warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.25 per common share. The Company paid cash finder's fee of $6,060 and filing fees of $1,369 and issued 40,400 broker's warrants. Each Broker's Warrant is exercisable to acquire an additional common share of the Company for a period of two years at a price of $0.25 per common share. The Company also paid legal fees of $13,857 on February to June 30, 2015 private placements.

On July 27, 2015, The Company closed its non-brokered private placement by issuing 2,700,000 units of the Company at a price of $0.10 per Unit for gross proceeds of $270,000. Each Unit consists of one common share of the Company and one transferable share purchase warrant. Each Warrant is exercisable to acquire one additional common share of the Company for a period of five years at a price of $0.20 per common share. The Company paid cash finder's fee of $25,000 and issued 250,000 broker's warrants. Each Broker's Warrant is exercisable to acquire an additional common share of the Company for a period of five years at a price of $0.20 per common share.

On August 28, 2015, The Company closed its non-brokered private placement by issuing 997,106 units of the Company at a price of $0.10 per unit for gross proceeds of $99,711. Each unit consists of one common share of the Company and one share purchase warrant. Each Warrant is exercisable to acquire one additional common share of the Company for a period of five years at a price of $0.20 per common share. The Company paid legal fees of $4,270.

On October 8, 2015, the Company closed its non-brokered private placement by issuing 4,522,699 units of the Company at a price of $0.06 per unit for gross proceeds of $271,362. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.10 per common share.

On October 26, 2015, the Company closed its non-brokered private placement by issuing 4,464,833 units of the Company at a price of $0.06 per unit for gross proceeds of $267,890. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.10 per common share. The Company paid finders fees of $6,240 and issued brokers warrants 104,000 at a price of $0.06 for the period of two years.

On November 2, 2015, the Company closed its non-brokered private placement by issuing 840,000 units of the Company at a price of $0.06 per unit for gross proceeds of $50,400. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of two years at a price of $0.10 per common share.The Company paid finders fees of $4,032 and issued brokers warrants 67,200 at a price of $0.06 for the period of two years.

On October 29, 2015, 1,250,000 options were exercised @ $0.09 per option.

Commitments

At present, the Company has no commitments.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

1.9 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2015, the Company entered into the following transactions with the related parties:

(a) Incurred consulting fees of $85,125 (December 31, 2014 - $91,125) with Kraven Geological (a company owned by Dean Pekeski, interim CEO & director of the Company).

As at December 31, 2015, $96,181 (December 31, 2014 - $7,005) was owing to companies controlled by directors and officers of the Company.

(b) Payment of rent of $1,500 to Western Potash Corp. (a company controlled by a common officer Binny Jassal), (December 31, 2014: $nil) for shared office premises.

(c) Incurred accounting fees of $36,000 (December 31, 2014 - $nil) with Binny Jassal CFO & director of the Company).

(d) As at December 31, 2015, due from a related party includes $684 (December 31, 2014: $7,005) from Artic Star Exploration Corp., a company related by a common officer Binny Jassal and a 40% shareholder of Equitorial Exploration International Corp.

(e) As December 31, 2015, the Company's 60%-owned subsidiary, Equitorial Exploration International Corp., owed $600,424 (2014 - $600,424) to Artic Star Exploration Corp. a company related by a former common director Patrick Power and a 40% shareholder of Equitorial Exploration International Corp. These amounts are included in due to related parties.

Related party transactions are in the ordinary course of business and are measured at the exchange amounts, being the amounts agreed to by the related parties. The amounts due from or to the related parties are unsecured and without interest (except for the above loan) or stated terms of repayment.

1.10 FOURTH QUARTER ANALYSIS

The total expenses during the quarter ended December 31, 2015, were $454,984.

During the fourth quarter, the Company spent $24,000 in accounting and audit fees, $179 in bank charges, $196,571 in consulting fees, $3,484 in filing fees, $346 in foreign exchange, $8,783 in interest expenses, $963 in legal fees, $699 in office and administration costs, $(31,397) in rent expenses, 223,970 in stock based compensation, $21,940 in shareholder information, $5,136 in transfer agent fees and 310 in travel expenses.

The Company wrote off $1,072,96 of El Havila property in Colombia.

As at December 31, 2015, the Company was entitled to 43,183,232 common shares of Iberian, a public company trading on TSX-Venture Board with ticker symbol IML. The fair value change is $863,665.

Gain on disposal of investment of $ 1,021,170 was related to the de-recognition of the investment in Mineworx and the recognition of the financial asset of the entitlement of receiving the shares in Iberian Minerals on December 21, 2015, the completion date of the Amalgamation Agreement (Refer to section 1.2 Mineworx Technologies Inc.). The gain represents the difference between carrying value of the investment in Mineworx de-recognized and the fair value of the Iberian Shares on December 21, 2015.

Loss on associate $133,692 was related to the 42% equity share of loss incurred by Mineworx from the beginning of the forth quarter to November 16, 2015, the date of announcement of the Amalgamation between Mineworx and Iberian.

1.11 PROPOSED TRANSACTIONS

N/A

1.12 CRITICAL ACCOUNTING ESTIMATES

Critical Accounting estimates represent estimates that are highly uncertain and for which changes in those estimates could materially impact the Company's financial statements. At present the Company does not have any critical accounting estimate.

1.13 CHANGES IN ACCOUNTING POLICIES

New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

i) New standard IFRS 9 Financial Instruments has been issued by IASB to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts. Cash may also be invested in guaranteed investment certificates that are available on demand by the Company for its program. The Company does not invest in any asset-backed deposits/investments.

(b) **Foreign currency translation**

The functional currency of the Company and its subsidiaries, as determined by management, is the Canadian dollar and this is also the currency in which it presents these financial statements. The Company recognizes transactions in currencies other than the Canadian dollar (foreign currencies) at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of operation and comprehensive operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) **Impairment of tangible assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.
Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(d) **Deferred income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(e) **Provision for decommissioning and restoration**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2015 and 2014, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

(f) **Share-based payments**

The Company operates an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share based payments to non- employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) **Earnings (loss) per share**

Basic earnings (loss) per share are calculated by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. For the period presented, dilutive loss per share is equal to basic loss per share.

(h) **Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts, determination of functional currency and provision for restoration, rehabilitation and environmental costs.

<u>Determination of functional currency</u>

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

<u>Valuation of share-based payments</u>

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

<u>Site decommissioning obligations</u>

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

<u>Income taxes</u>

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(i) **Mineral properties**

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(j) **Financial instruments**

Financial assets
The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. Cash has been classified under this category.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Accounts and loans receivables and due from a related party have been classified under this category.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities
The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities, loan payable and due to related parties have been classified under this category.

IFRS 7 requires additional disclosures relating to the measurement of fair value for financial instruments and liquidity risk. The disclosure requirement establishes a three level hierarchy that reflects the significance of the inputs used in fair value measurements on financial instruments. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability; and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

All of the financial instruments measured at fair value on the statement of financial position are included in Level 1. The company does not hold any financial instruments that are measured from Level 2 or Level 3 inputs.

(k) **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(l) **Investment in Associates**

Associates are entities over which the Company has significant influence, but not control. The financial results of the Company's investments in its associates are included in the Company's results according to the equity method. Subsequent to the acquisition date, the Company's share of profits or losses of associates is recognized in the consolidated statements of income (loss).

The Company assesses at each period-end whether there is any objective evidence that its interests in associates are impaired. If the interests are impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less cost to sell and value in use) and charged to the consolidated statements of income (loss).

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES

(a) **Fair value of financial instruments**

The Company's financial instruments at December 31, 2015 consist of cash and cash equivalents, marketable securities, accounts and loan receivables, accounts and loan payables and accrued liabilities, and due from/to related parties. Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The carrying values of accounts and loan receivables, accounts and loan payables and accrued liabilities, and due from/to related parties approximate their fair values because of their nature and respective maturity dates or durations.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2015 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	$ 4,172	$ –	$ –	$ 4,172
Marketable securities	4,318,323	–	–	4,318,323
	$ 4,322,495	$ –	$ –	$ 4,322,495

(b) **Risk Management**

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. The Company's receivables consist of mostly GST receivable due from the Federal Government of Canada. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, and cash and cash equivalent holdings. As the Company does not have operating cash flow and the Company has relied primarily on equity financings to meet its capital requirements.

Foreign currency risk

The Company's functional currency is the Canadian dollar and it transacts major purchases in Canadian dollars, Colombian Peso and US dollars. To fund exploration expenses, it maintains a Colombian Peso and US dollars-denominated bank accounts containing sufficient funds to support monthly forecasted cash outflows. Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk.

Commodity price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

(c) **Capital management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimises the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes cash, debt and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its sole source of operating capital. The

Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to those markets, and by its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. However, it is subject to any regulations and rules imposed by the TSX Venture Exchange in issuing and/or maintaining debt or equity financings. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

It is management's opinion that the fair value of the Company's cash, accounts receivable, accounts payable and accrued liabilities, approximate their carrying value due to the relatively short periods to the maturity of the instruments.

None of the Company's financial instruments are denominated in U.S. dollars, and the Company does not use foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

1.15 OTHER MD&A REQUIREMENTS

Financial and Disclosure Controls and Procedures

During the year ended December 31, 2015, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's annual financial statements for the year ended December 31, 2015 (together the "Annual Filings"). The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

a) The Company's authorized share capital consists of unlimited common shares without par value. The Company has only one kind and class of shares and there are no unusual rights or restrictions attached to that class.

b) As at April 28, 2016, the Company had a total of 52,752,571 (December 31, 2015: 52,752,571) common shares issued and outstanding.

c) As at April 28, 2016, the Company had 17,977,332 (December 31, 2015: 18,393,373) warrants outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
392,500	$0.25	August 07, 2016
14,500	$0.25	August 07, 2016
1,349,166	$0.25	September 24, 2016
236,499	$0.25	September 24, 2016
484,488	$0.25	October 31, 2016
68,076	$0.25	October 31, 2016
540,000	$0.25	February 03, 2017
743,498	$0.25	March 3, 2017
452,767	$0.25	April 14, 2017
2,700,000	$0.20	July 27, 2020
997,106	$0.20	August 25, 2020
4,522,699	$0.10	October 8-2017
4,464,833	$0.10	October 26-2017
104,000	$0.06	October 26-2017
840,000	$0.10	November 2, 2017
67,200	$0.06	November 2, 2017
17,977,332		

d) As at April 28, 2016, the Company had 3,400,000 (December 31, 2015: 3,400,000) stock options outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
1,350,000	$0.12	May 24, 2023
700,000	$0.275	April 9, 2019
1,350,000	$0.09	November 25, 2020
3,400,000		

Additional Disclosure for Venture Issuers without Significant Revenue

Schedule of General and Administrative costs:

For the Years Ended December 31	2015	2014
Expenses		
Accounting and audit	**$ 57,750**	$ 67,000
Bank charges	**1,632**	3,809
Consulting fees	**323,883**	358,788
Exploration expenses	**-**	194,995
Filing fees	**17,934**	23,553
Foreign exchange	**(44)**	(2,497)
Interest expenses	**19,430**	20,163
Legal	**19,934**	119,453
Office expenses	**2,620**	38,495
Rent	**9,644**	54,843
Shareholder's information	**147,357**	30,722
Stock based compensation	**223,970**	186,835
Transfer agent fees	**12,871**	14,629
Travel	**488**	7,318
	$ 837,469	$ 1,118,106

Schedule of Exploration and Development Costs:

During the year ended December 31, 2015, the Company incurred property acquisition costs as follows:

	USA	Colombia	
	Runnels Country	EL Hávila	Total
Mineral properties			
Balance, December 31, 2014	$ -	$ 1,072,963	$ 1,072,963
Acquisition costs incurred during the period	591,777	-	591,777
Written - off	-	(1,072,963)	(1,072,963)
Balance, December 31, 2015	**$ 591,777**	**$ -**	**$ 591,777**

During the year ended December 31, 2015, the Company incurred exploration expenditures as follows:

	Colombia, EL Havila December 31, 2015	Colombia, EL Havila December 31, 2014
Exploration and related expenditures		
Consulting	$ -	$ 74,769
Field and Camp cost	-	14,252
Property taxes	-	41,624
Samples	-	9,616
Telecommunication	-	7,171
Travel	-	47,563
Total exploration expenditures	$ -	**$ 194,995**

Additional information about the Company can be found on www.sedar.com.

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