Eloro Resources Ltd.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Eloro Resources Ltd. (the "Company") for the year ended March 31, 2018 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

The MD&A is the responsibility of management and is dated as of July 30, 2018.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at. www.eloroeresources.com.

Forward-Looking Statements
This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

See page 9 for *Material assumptions and risk factors for forward-looking statements*.

The Company
The Company is a Canadian-based gold exploration and development company with a gold-silver property in Peru and base metal properties and royalties in the province of Quebec.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on Tier 2 of the TSX Venture Exchange ("TSXV") under the symbol ELO and on the Frankfurt Stock Exchange under the symbol WKN 909833.

Overall Performance

Private placements of units
On May 31, 2017, the Company completed a non-brokered private placement of 428,571 units at a price of $0.70 per unit for proceeds of $300,000. Each unit consists of one common share and one half of one warrant with each whole warrant entitling the holder to purchase one common share for $1.00 until May 31, 2019. Of the private placement, a company controlled by an advisor to the Company acquired 11,285 units.

In connection with the private placement, the Company paid a finder's fee of $3,430.

On August 16, 2017, the Company completed a non-brokered private placement of 655,000 units at a price of $0.70 per unit for proceeds of $458,500. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $1.00 until August 16, 2019. Of the private placement, two companies controlled by advisors to the Company and two directors of Cartier Iron Corporation, which owns 3,043,500 common shares of the Company, acquired 150,000 units.

In connection with the private placement, the Company paid a finder's fee of $613.

Definitive agreement to acquire La Victoria Gold/Silver Property, Peru
On July 1, 2017, the Company made a payment of $75,000 to Tartisan Resources Corp. ("Tartisan") to complete the acquisition of La Victoria and title to San Markito was transferred to the Company.

Grant of option for a 25% interest in La Victoria
On March 29, 2017, the Company granted an option to EHR Resources Limited ("EHR") to acquire up to a 25% interest in La Victoria. In order to earn its interest, EHR must incur exploration expenditures as follows:

	Exploration expenditures $
To earn a 10% interest	
October 31, 2017	2,000,000
To increase to a 25% interest	
July 31, 2018	3,000,000
	5,000,000

On December 19, 2017, EHR earned a 10% interest in La Victoria and on February 28, 2018, the option agreement was terminated and the Company granted an option to EHR to acquire an additional 15% interest in La Victoria. In order to increase its interest, EHR must incur exploration expenditures as follows:

	Exploration expenditures $
To increase to an 18% interest ("Stage 2A")	
June 30, 2018, subject to extension if permits are delayed (to be extended)	1,600,000
To increase to a 25% interest (Stage 2B")	
December 31, 2018, subject to extension if permits are delayed	1,400,000
	5,000,000

Upon completing Stage 2A, EHR will have 10 business days to provide written notice of its intention to proceed with Stage 2B, failing which, the option will expire. If EHR proceeds with Stage 2B and less than 4,500 metres of drilling was completed in Stage 2A, an amount equal to the difference between 4,500 metres and the actual metres completed in Stage 2A multiplied by US$260 will reduce the total exploration expenditures required to be incurred in Stage 2B.

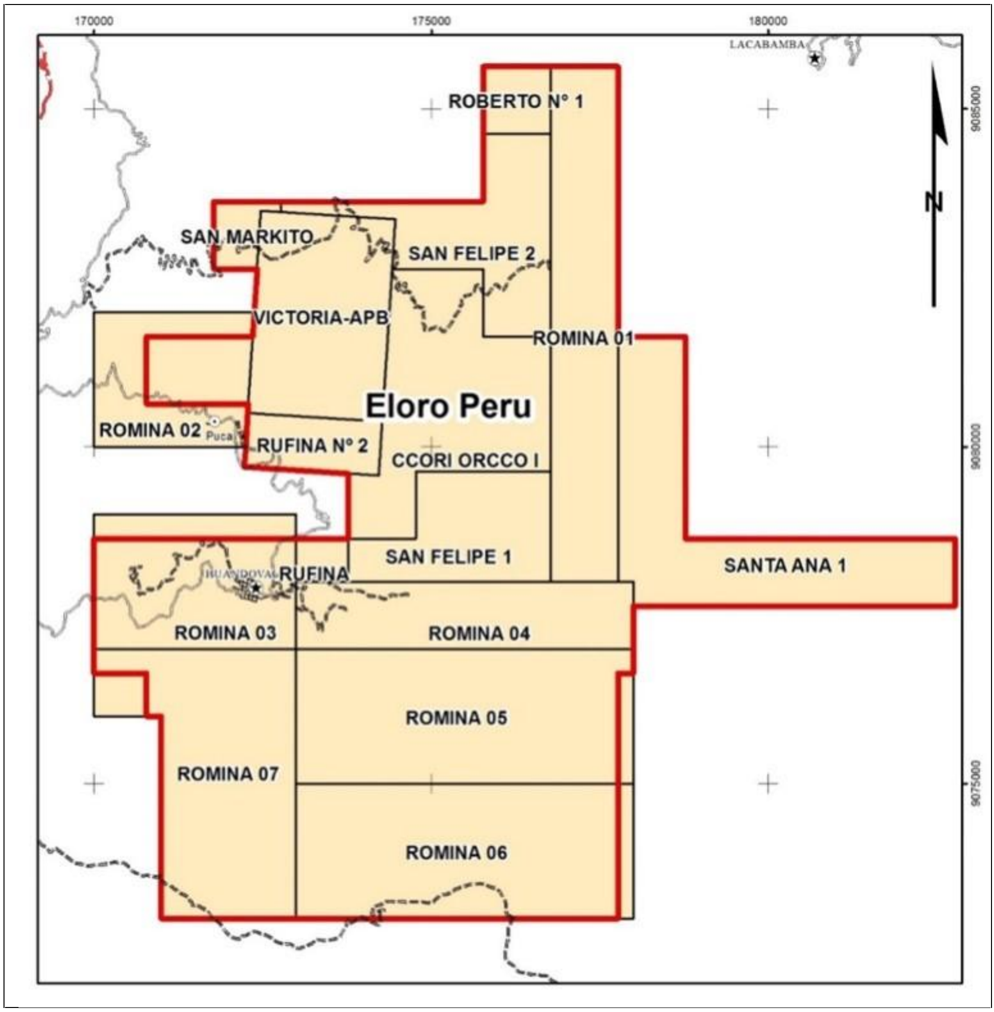
Upon the earlier of EHR deciding to maintain an 18% interest in La Victoria or earning a 25% interest in La Victoria, a joint venture, with the Company as operator, will be formed to explore and develop La Victoria. If the Company or EHR does not fund its proportionate share of expenditures, its respective interest will be diluted and when its interest is diluted to less than 10%, the party's interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1% by making a payment of $3,000,000.

If either the Company or EHR acquires an interest in any property within 5 kilometres of La Victoria, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest. Until EHR completes Stage 2A, the Company will be deemed to have a 90% interest. Upon completing Stage 2A and until EHR completes Stage B, the Company will be deemed to have an 82% interest.

In the event the Company or EHR proposes to sell any interest in La Victoria to a third party, the other party has a right of first refusal to match the terms and conditions of the proposed sale. In the event that the Company proposes to sell a majority of its interest in La Victoria to a third party, the Company must first consult with EHR about the identity of the third party and the proposed terms of sale and if the Company proceeds with the sale, EHR will be obliged to sell its interest to the third party on a pro rata basis in accordance with the terms of the sale to the third party.

Ongoing Exploration at La Victoria

The Company owns a 90% interest in La Victoria (March 31, 2017 - 100%), a gold-silver property covering 8,933 hectares, consisting of 9 concessions covering 3,533 hectares (Ccori Orcco 1, Roberto N°1, Rufina, Rufina N° 2, San Felipe 1, San Felipe 2, San Markito, Santa Ana 1 and Victoria-APB) and 7 claims covering 5,400 hectares (Romina 01, 02, 03, 04, 05, 06 and 07) in the Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru.



A National Instrument 43-101 Technical Report ("Technical Report") on La Victoria was filed on September 7, 2016, authored by Luc Pigeon, M.Sc., P.Geo. The Technical Report was filed as one of the terms precedent to the acquisition of La Victoria and is available under the Company's profile on SEDAR (www.sedar.com).

As outlined in the Technical report, four principal mineralized zones are identified at La Victoria: San Markito, Rufina, Victoria and Victoria South. The Rufina and San Markito zones were the most advanced targets and were recommended for drilling whereas the Victoria and Victoria South zones are at an early exploration stage. In general, mineralization occurs within breccias and veins that contain significant gold and silver concentrations and trace element characteristics that are compatible with epithermal deposits especially the low sulphidation type.

La Victoria is located within a prolific epithermal gold deposit belt that extends from Cajamarca to Ancash and includes such gold deposits as Yanacocha, Lagunas Norte and La Arena. The La Arena mine is located 50km northwest of the property.

At the Rufina mineralized zone, five vein sets of 20m to 70m in width were identified at the Rufina West mineralized zone, with lengths ranging from 10m to possibly 500m, with an average exposure of some 150m. Vein sets are composed of iron oxide-quartz-arsenopyrite-hydroxide-sulphate minerals in veinlet swarms, stockworks, and breccia zones. Veins are dominantly tensional, and are characterized by open space filling fabrics. Mineralization below the oxidation layer contains pyrite, bornite, chalcopyrite, and arsenopyrite.

Structural settings include faults and fractures bounded by brittle-ductile fault systems and shear zones. They are well developed in intrusive rocks as well as underlying sediments of the Chicama Fm.

The 2D inverse geophysical interpretation from the induced polarization survey shows that the high resistance diorite (the main mineralized lithology present on the Rufina zone) is concentrated near the surface and is underlain by conductive and chargeable sedimentary rocks. There appears to be a chargeability anomaly concentrated along the contact between the diorite and the underlying Chicama Fm sediments; since the anomaly also shows a higher resistivity value than what is usual for the Chicama Fm, it is interpreted to be mineralization along the contact; this is a high-priority drill target.
The San Markito mineralized zone is approximately 1,300m long and 400m wide and is open along strike to the northwest.

Mineralization occurs within breccias and veins that strike northwest and dip to the northeast at between 55 and 80 degrees. The breccias vary in lengths between 30m and 200m with widths between 5m and 20m; veins are between 20cm and 1.0m in width and have been traced up to 160m, although most identified veins are between 10m and 20m long. The breccia mineralization is composed of quartz, pyrite, arsenopyrite, iron-oxide, malachite and other secondary oxides and sulphates minerals whereas the vein mineralization is composed of quartz, arsenopyrite, chalcopyrite, pyrite, iron oxides (limonite), hydroxides (goethite) and sulphate (jarosite).

The Victoria South zone is located between San Markito and Rufina zones. The host rocks are dominantly the Upper Jurassic Chicama Formation. The zone is comprised of structural vein sets ranging between 5 to 30m in width composed of iron and manganese oxides, quartz, arsenopyrite, pyrite and goethite. Most of the vein sets are bounded by faults and shear zones, with a dominant E-W east-west strike and subvertical to vertical dips. Vein lengths range from 5m to possibly 50m, and between 1cm and 40cm in width, averaging 20cm. The main vein system is the San Carlos which was exploited for about 50m along strike. It consists of 2-3 quartz veins with abundant gossan, limonite, drusy quartz and arsenopyrite in a shear zone.

The Victoria Au-Ag zone is located east of the San Markito zone within the Victoria intrusion QFP and diorite rocks near the contact with the sedimentary rocks of the Chimu Fm. Mineralized structures vary from 10 m to 100 m and widths vary from 0.1 m to 0.9 m. Surface vein material is composed of anhedral quartz and secondary iron oxide and hydroxide minerals producing a distinctive dark brown to rusty yellowish-brown color.

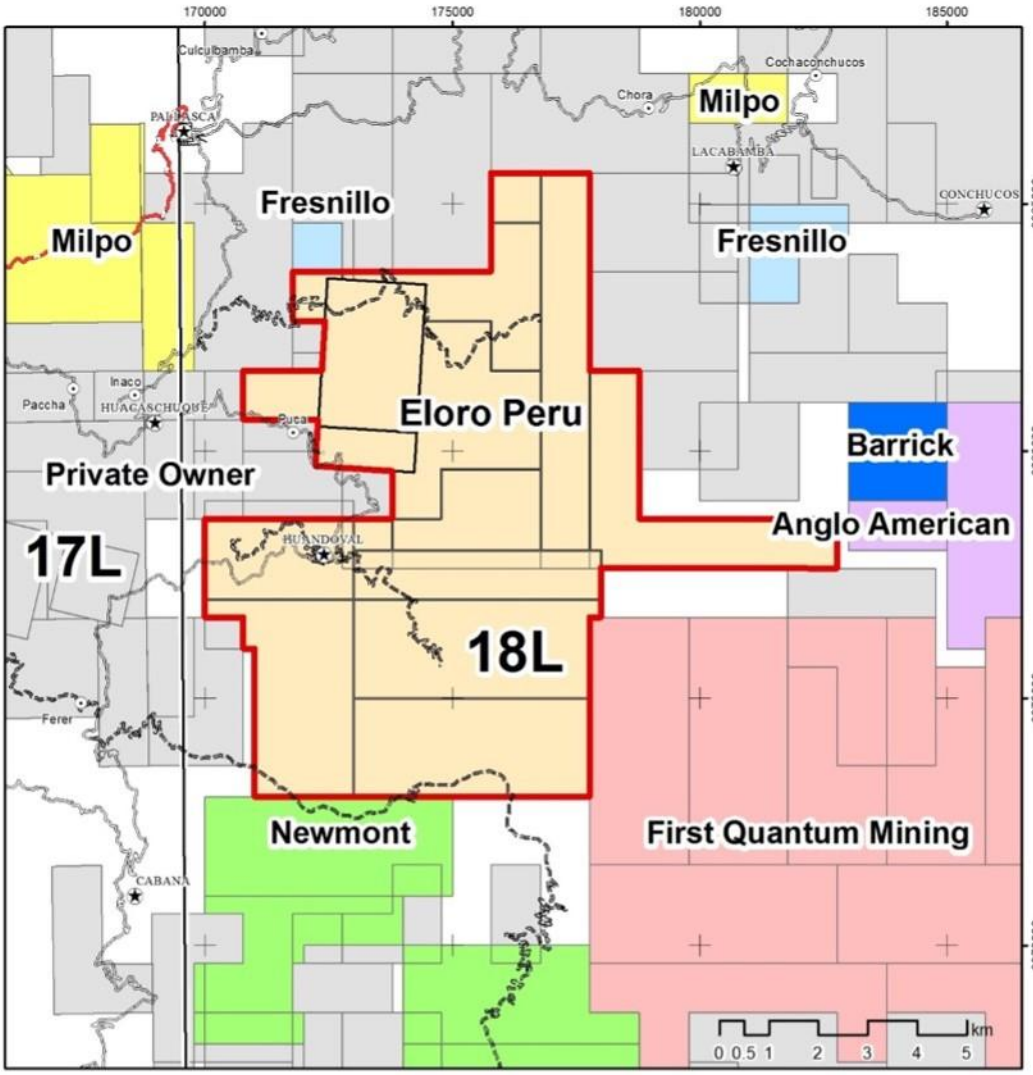
Work completed to date continues to confirm the presence of a major epithermal system with multiple stages of mineralization in the San Markito-Victoria area in the northern part of the La Victoria property. The intensity of alteration and the wide range of styles of mineralization is very encouraging.

The Company announced on December 14, 2016, that its wholly-owned Peruvian subsidiary, Compañia Minera Eloro Peru S.A.C., had acquired an additional mining concession, Romina 3, covering approximately 600 ha, that ties on to the western boundary of the Rufina Concession in the southwest corner of the La Victoria property.

On January 17, 2017, the Company announced that its Peruvian subsidiary had registered four additional mining claims totaling 3,400 ha (34 sq. km) of prospective exploration lands on the southern boundary of La Victoria. This brings the total lands held to 8,933 ha (89.3 sq. km.) in 9 concessions and 7 claims.

As part of a continuing review of the surface geology of the La Victoria property and environs, a large tract of land bordering the Rufina 2 Concession to the south was seen to host geology similar to what is seen on the Ccori Orcco Concession, and mining rights were available to acquire by staking. This property acquisition makes the Company one of the largest holders of mining rights in the northern Ancash Department section of the North-Central Peru Mineralized Belt.

In addition, extensive new mineral claims have been registered by major corporations since January 1, 2017, demonstrating a new influx of some of the world's largest and best-known mining companies entering into the northern Ancash Department. These holdings are located to the south, east, and north of the La Victoria property that continues the trend started in July of 2016 by First Quantum Minerals Ltd, which registered 14,100 ha (141 sq. km) in 15 mining claims southeast of La Victoria.



On January 16, 2018, the Company announced it had completed 2,261m of reconnaissance diamond drilling in 8 holes at the Rufina Zone. Highlights include (all core lengths):

- 3.46 g Au/t over 7.4m including 7.31 g Au/t over 3.4m and 2.73 g Au/t over 1.5m in Hole ERU-02
- 2.10 g Au/t over 4.5m including 4.31 g Au/t over 1.6m and 2.73 g Au/t over 1.5m in Hole ERU-04
- 1.86 g Au/t over 3.0m including 4.31g Au/t over 1.0m in Hole ERU-01
- 2.83 g Au/t over 1.0m in Hole ERU-03
- 1.92 g Au/t over 1.40m over 1.4m in Hole ERU-09A
- 0.66 g Au/t over 5.0m including 8.67 g Au/t over 0.4m in Hole ERU-09A
- 0.35 g Au/t over 19.5m in Hole ERU-04

Drill holes ERU-01, -02, -03, -04 and -09 intersected a major gold-bearing low sulphidation epithermal system extending approximately 350m along strike. This system is characterized by quartz and sulphide veins/veinlets, mineralized hydrothermal breccia and silicification in dioritic rocks that is overprinted by a later more base metal-rich epithermal phase. It is concluded that the initial reconnaissance drilling tested the upper part of an extensive gold-bearing epithermal system. Further drilling at Rufina will be deeper to test for potential high-grade bonanza zones that the model predicts may be from 50 to 300m below.

All of the reconnaissance drill holes intersected wide zones of mineralization and alteration with a significant number of gold intersections in different structures. This initial drilling intersected the upper part of a classic “flower structure” hence further drilling needs to be deeper to test for potential bonanza-style gold mineralization. Dioritic rocks, which are the principal hosts for gold mineralization, were intersected in all but one (ERU-08) of the holes reported. These intrusives are marked by prominent magnetic anomalies. The Company’s recently completed ground magnetic survey which extended coverage in the south part of the property has identified an additional 8 likely prospective intrusives bringing the total to 18 including those already confirmed as major target areas. The principal target area covers 6 kilometres by 3 kilometres in a major tectonic block, the Rufina-Victoria Block, in the central-eastern part of the property.

The drill holes at Rufina were selected to provide complete sections across up to 800m strike length of the target zone to test the major NE and NW striking mineralized structures as well as north-south structures identified in surface geological mapping. Geological work shows that there is an extensive multi-phase low sulphidation epithermal gold mineralizing system on the La Victoria property centred around the Puca Fault that extends from Rufina north-eastwards to Victoria-Victoria South, a distance of at least 2.5 kilometres. Gold mineralization occurs in a variety of structural settings both parallel to the northeast trending Puca Fault as well as perpendicular along likely tear faults related to this structure. Mineralization has been identified vertically over 1 kilometre from elevation 3100 metres at Rufina to elevation 4200m at San Markito as well as along strike on different structures for up to 3+ kilometres.

On June 6, 2018, the Company announced that, together with EHR, they were proceeding with a 4,000m drilling program to test the Rufina and San Markito target areas. An initial 2,000m 5-hole drill program will be undertaken at Rufina. An additional 6-hole 2,000m is schedule to be drilled at San Markito where permitting is in progress. Drilling at San Markito will be undertaken over the extensive gold-silver mineralization within intrusive diorite and Chimu Formation sandstones. Mineralization in the area is very extensive occurring over a width of 500+m and a strike length of at least 2.5km. Further geological mapping and sampling over the entire target zone is also planned within the next few months. A summary of significant drilling surface sampling results from the Rufina zone were provided in the June 6, 2018 news release, available under the Company's profile on SEDAR and on its website.

For additional technical information on the La Victoria Project, the reader is referred to the NI 43-101 Technical Report on the La Victoria Au-Ag Property, Ancash, Peru filed under Eloro's profile on SEDAR (www.sedar.com).

Further exploration programs at La Victoria are contingent upon funding from EHR and the Company raising an adequate amount of financing.

Additions to Management and the Board of Directors

On June 13, 2018, the Company announced that Philip Garratt, GAICD, would be joining the Company's Board of Directors and that William Pearson, Ph.D., P. Geo. was appointed as the Company's President. Additionally, the Company announced changes to its in-country operations in Peru with the appointment of Charles L. Fyfe A. as General Manager of Compañia Minera Eloro Peru S.A.C., the Company's wholly-owned Peruvian subsidiary, and the retaining of GEMIN Associates, a Peruvian-based resource consultancy which will provide comprehensive and multidisciplinary support services to the Company in Peru.

Grant of stock options

On April 7, 2017, the Company granted 100,000 stock options to a consultant each entitling the holder to purchase one common share for $0.75 until April 7, 2022.

On November 30, 2017, the Company granted 200,000 stock options to consultants each entitling the holder to purchase one common share for $0.87 until November 30, 2022.

On June 12, 2018, the Company granted 350,000 stock option to a director, an officer and an employee each entitling the holders to purchase one common share for $0.70 until June 12, 2023.

Notices of assessment

On July 26, 2017, the Company received notices of assessments from Revenu Québec for the repayment of $367,360 ("Notices") for the return of refunds of $280,961, $25,217 and $7,766 received by the Company for the refundable tax credit on eligible exploration expenditures incurred in Québec in respect of 2013, 2014 and 2016, respectively and interest thereon of $53,416.

The Company has filed notices of objection with respect to the Notices and it is not yet possible for the Company to make any realistic prediction about the outcome of the Notices. Accordingly, no amount has been recorded as a liability in the consolidated financial statements.

Risks and Uncertainties

The Company is in the exploration stage and has no revenue. During the year ended March 31, 2018, the Company incurred a loss of $1,126,854 and as at that date, the Company had an accumulated deficit of $26,658,960 and working capital of $36,432. These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licenses.

The Company is exposed to commodity price risk. A significant decline in precious and base metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

Results of Operations

	3 months ended March 31,		**Years ended March 31,**	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Expenses				
Professional fees	15,000	10,943	33,980	43,388
Consulting fees	54,000	61,500	216,000	270,915
Stock-based compensation	–	714,000	196,000	741,000
Investor relations and marketing	92,564	48,689	305,256	165,563
General and office	64,646	70,111	226,881	197,581
Travel	29,202	31,514	110,243	97,740
Unrealized loss (gain) on marketable securities	1,305	(100,310)	80,237	(270,602)
Recovery of expenses	3,028	–	(142,472)	–
Gain on assignment of royalty	–	–	–	(82,000)
Impairment of exploration and evaluation	4,765	(6,908)	100,729	5,769
Foreign exchange loss	–	1,042	-	1,042
	264,510	830,582	1,126,854	1,170,396
Loss	(264,510)	(830,582)	(1,126,854)	(1,170,396)

Years ended March 31, 2018

The Company recorded a loss of $1,126,584 for the year ended March 31, 2018 which is comparable to a loss of $1,170,396 in the previous year.

a) increases in investor relations and marketing and general and office due to an increase in the level of activity.
b) a decrease in stock-based compensation of $196,000 related to stock options issued was recorded in the current year compared to $741,000 in the comparative year.
c) an unrealized loss on marketable securities of $80,237 was recorded in the current year compared to an unrealized gain of $270,602 in the comparative year.
d) a recovery of expenses of $142,472 from EHR in the current year.
e) increase in impairment of exploration and evaluation to $100,729 compared to $5,769 in the comparative year.

3 months ended March 31, 2018

The Company recorded a loss of $264,510 which is a significant decrease compared to a loss of $830,582 in the comparative quarter of the previous year. The decrease in the loss was due to the following factors:

a) decrease in stock-based compensation as no stock options were granted in the current period.
b) an unrealized loss on marketable securities of $1,305 in the current period compared to an unrealized gain of $100,310 in the comparative period.

Summary of Quarterly Results

	Q1 2017 $	**Q2 2017 $**	**Q3 2017 $**	**Q4 2017 $**	**Q1 2018 $**	**Q2 2018 $**	**Q3 2018 $**	**Q4 2018 $**
Revenue	–	–	–	–	–	–	–	–
Income (loss)								
- Total	45,783 (note 1)	(295,244) (note 2)	(90,354)	(830,582) (note 3)	(339,319) (note 4)	(189,136)	(340,298) (note 5)	(264,510)
- Per share	–	(0.01)	–	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)

Note 1: Income included an unrealized gain on marketable securities of $100,487 and a gain of $82,000 assignment of royalty.
Note 2: Loss included stock-based compensation of $27,000 and unrealized gain on marketable securities of $30,635.
Note 3: Loss included stock-based compensation of $714,000.
Note 4: Loss included stock-based compensation of $72,000.
Note 5: Loss included stock-based compensation of $124,000.

Liquidity and Capital Resources
At March 31, 2018, the Company had a cash balance of $435,379, marketable securities with a fair value of $198,055 and an amount due from Cartier Iron Corporation of $87,375.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations with the proceeds of equity financings. The Company is dependent upon the support of its creditors and the Company's ability to secure equity financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral resource properties.

Estimated working capital requirements for 2019	**$**
Corporate and general	600,000
Accounts payable and accrued liabilities at March 31, 2018, excluding amounts owed to related parties	249,000
	849,000

Excluding consulting fees to management, the payment of which is being deferred, corporate and general costs for the years ended March 31, 2018 and 2017 were approximately $575,000 and $400,000, respectively. For the year ended March 31, 2019, with the increased level of activity, the Company estimates its corporate and general costs of approximately $600,000.

At March 31, 2018, accounts payable and accrued liabilities were $807,390, of which, $559,250 represents consulting fees owed to related party management and consultants, the payment of which is being deferred. Accordingly, the accounts payable and accrued liabilities to non-related parties is approximately $249,000.

Management is of the opinion that sufficient working capital will be obtained from equity financings to meet the Company's liabilities and commitments as they become due. In the event that the Company is not able to obtain sufficient working capital from equity financings, the Company could consider selling marketable securities.

Transactions with Related Parties

	Year ended March 31, 2018 $	**Outstanding as at March 31, 2018 $**
Consulting fees		
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	107,377	22,266
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	65,689	169,594
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	65,689	165,891
A.S. Horvath Engineering Incorporated, a company controlled by Alexander Horvath, a director, for geological consulting services	—	59,925

Changes in Accounting Policies including Initial Adoption

New standards and interpretations not yet adopted
The following amendment to standards will be effective for periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9")
This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules In IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The Company does not expect IFRS 9 to have a material impact, however, has not completed its assessment on the extent of the impact of IFRS 9 on its financial statements.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")
This standard will replace *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. The Company has not determined the extent of the impact of IFRS 16 on its financial statements.

Financial instruments and risk management
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Due from Cartier, accounts payable and accrued liabilities and due to Tartisan
The fair value of due to Cartier, accounts payable and accrued liabilities and due to Tartisan approximates their carrying value due to their short term to maturity.

Stock options and warrants
The fair value of stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility or historical volatility of securities of comparable companies), weighted average expected life and forfeiture rate (both based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

Cash and marketable securities are measured at fair value at Level 1 of the fair value hierarchy.

Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The maximum exposure to credit risk is equal to the balance of cash and due from Cartier.

The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with high credit quality Canadian chartered banks.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms.

The Company has no revenues and relies on financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at March 31, 2018 had changed by 25%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by $49,514.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the Company has no interest-bearing debt.

Capital management
Capital of the Company consists of share capital, warrants, contributed surplus, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider 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.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements.
The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factor
7	Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from equity financings to meet the Company's liabilities and commitments as they become due."	Equity financings will be obtained.	The Company is unable to obtain future financing to meet liabilities and commitments as they become due.

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the years indicated.

	Years ended March 31, 2018 $	2017 $
General and office expenses		
Rent	45,349	44,207
Medical plan	12,674	26,060
Office	84,524	62,782
Insurance	22,257	22,140
Public company costs	62,077	43,392
	226,881	197,581

Exploration and evaluation

	March 31, 2017 $	Acquisition costs $	Exploration $	Impairment $	March 31, 2018 $
Property					
La Victoria	4,136,135	–	229,051	–	4,365,186
Other	–	–	100,729	(100,729)	–
	4,136,135	–	329,780	(100,729)	4,365,186

Shares Outstanding as at July 30, 2018

Shares

Authorized:

An unlimited number of common shares without par value.
An unlimited number of redeemable, voting, non-participating special shares without par value.

Outstanding:

34,930,262 common shares

Warrants

Exercise price	Expiry date	Number of warrants
$0.50	December 29, 2018	314,286
$0.50	January 6, 2019	35,714
$1.00	May 31, 2019	214,285
$1.00	August 16, 2019	327,500
$0.40	October 17, 2019	3,000,000
		3,891,785

Stock options

Authorized:

3,493,026 stock options.

The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSXV. The maximum term for stock options is 5 years and stock options granted vest immediately.

Outstanding:

Exercise price	Expiry date	Options outstanding and exercisable
$0.10	January 29, 2020	1,050,000
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
$0.55	January 27, 2022	1,225,000
$0.77	February 7, 2022	100,000
$0.75	April 7, 2022	100,000
$0.87	November 30, 2022	200,000
$0.70	June 12, 2023	350,000
		3,325,000

Restricted Share Unit Plan ("RSU Plan")
Authorized:
3,200,000 common shares.

The Company adopted the RSU Plan, which was accepted by the TSXV on October 26, 2017, following the approval of the Company's shareholders on September 30, 2017. The maximum number of common shares in the capital of the Company which may be reserved for issuance under the RSU Plan at any time is 3,200,000, and in combination with all share compensation arrangements, including the Company's stock option plan, will not exceed 20% of the issued and outstanding common shares in the capital of the Company. To date no RSUs have been issued pursuant to the RSU Plan.