NEWLOX GOLD

NEWLOX GOLD VENTURES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

September 30, 2016 and 2015

As at November 29, 16

1.1 – DATE AND FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") of Newlox Gold Ventures Corp. (the "Company" or "Newlox") has been prepared by management to assist the reader to assess material changes in the financial condition and results of operations of the Company as at September 30, 2016. This MD&A should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2016 and 2015. The Audited Consolidated Financial Statements have been prepared using accounting policies consistent with lnternational Financial Reporting Standards ("IFRS") as issued by the lnternational Accounting Standards Board ("IASB") and lnterpretations issued by the lnternational Financial Reporting lnterpretations Committee ("IFRIC").

The effective date of this MD&A is November 29, 16.

This MD&A contains "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of assets, success of activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits, ability to generate sufficient revenue to fund expansion and dividend programs and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on the currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability; uncertainty related to the resolution of legal disputes and lawsuits; actual results of current activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of consumables; possible variations in access to feedstock, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at sedar.com and on the Company's website at newloxgold.com

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on and expand its artisanal tailings reclamation activities, including construction; the timely receipt of required approvals, including the approvals required for expansion in new jurisdictions; the price of silver, gold and other metals; the Company's ability to operate in a safe, efficient and effective manner; prices for key processing supplies, including labour costs and consumables, remaining consistent with the Company's current expectations; reclamation and metal recovery meeting expectations and being consistent with estimates; plant, equipment and processes operating as anticipated; there being no material variations in the current tax and regulatory environment; the exchange rates among the Canadian dollar, the Costa Rican Colón, the Nicaraguan Córdoba and the United States dollar remaining consistent with current levels; the Company's ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions, which may have been used.

1.1 – DATE AND FORWARD-LOOKING STATEMENTS – Continued.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except as, and to the extent required by, applicable securities laws.

This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company. All financial amounts are expressed in Canadian Dollars unless otherwise indicated.

1.2 – OVERALL PERFORMANCE

Newlox Gold Ventures Corp. ("Newlox" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on April 7, 2011 The Company's office is located at 1875 Robson Street, Suite 1202, Vancouver, British Columbia, V6G 1E5, Canada. Newlox is a precious metals recovery and environmental reclamation Technology Company pursuing business opportunities in Latin America with its shares listed on the Canadian Securities Exchange ("the CSE") under the symbol LUX and is quoted in Germany on the Frankfurt stock exchange under the symbol NGO.

The Company closed on its agreement to acquire all shares of Oro Roca S.A., a private Costa Rican company, on April 14th, 2014. The Company is working in collaboration with the Norman B. Keevil Institute of Mining Engineering at the University of British Columbia and, with its operations team in Central America; it has established an environmental reclamation and metals extraction operation and is now in the beginning stages of commercialization. Newlox, through its wholly owned subsidiary, Oro Roca SA, is applying innovative processing technologies to historical artisanal tailings to achieve precious metals extraction and soil remediation.

Newlox has completed the R&D and construction stages at its first tailings reclamation and reprocessing plant and is now undertaking final optimisation and commissioning with the objective of establishing commercial operations during the next fiscal year. Test production was conducted during the past fiscal year as part of the optimisation stage of development and served as a proof-of-concept. This testing resulted in the Company's first sales of internally generated precious metals.

The Company has established agreements with local artisanal mining cooperatives and individuals in the area of its operations to supply tailings originating from artisanal mining, which is the feedstock for Newlox's reclamation and reprocessing operation. These agreements should provide the Company with a steady supply of feedstock while established relationships with local and offshore jewellery manufacturers and refiners should allow the Company to sell precious metals at a discount of 3% or less from the SPOT gold price. Precious metals buyers are abundant in Latin America and around the world, therefore, management does not anticipate facing difficulty in the sale of the Company's products.

The longer-term objective of Newlox Gold Ventures Corp is to establish a dividend paying enterprise, which will allow its shareholders to participate in its equity value growth and potentially to share in profits, all the while contributing to an environmental clean-up effort and setting a high standard of social responsibility.

1.2.1 – ORO ROCA – PROCESSING PLANT

Newlox Gold Ventures Corp's wholly owned subsidiary, Oro Roca S.A., has identified artisanal tailings material for reprocessing and reclamation using a processing technology designed in partnership with the Company's technical advisors at the Norman B. Keevil Institute of Mining Engineering at the University of British Columbia (UBC).

Research and development work began in 2014 when the Company commissioned extensive lab testing on artisanal tailings samples collected in Costa Rica. Initial results identified processing methods particularly suited to the Company's needs and recommended follow-up research to design a process to maximise the recovery of precious metals and deleterious materials present in the tailings originating from the historical processing by artisanal miners.

An optimisation study was instrumental in the design of Newlox's first processing facility. The optimisation study found that changes to the process flow sheet and reagents could deliver meaningful increases in process efficiency, exceeding their goal of 90% recovery in laboratory conditions.

With positive results seen in research and recommendations for process design in hand, Newlox moved ahead and constructed its first processing facility in Costa Rica. In field testing and optimisation at this facility were undertaken during the financial year resulting in the Company's first proof of concept precious metals recovery event.

Newlox plans to begin steady-state commercial operations in the upcoming year. Management notes that satisfactory progress has been made in these efforts and congratulates the operations team on their ingenuity and diligence.

Once the Company's first reclamation project is fully operational and stabilised, Oro Roca, S.A. intends to deploy additional reclamation facilities at a number of identified project sites.

1.2.2 – QUALIFIED PERSON AND TECHNICAL DISCLOSURES

Stewart A Jackson, PhD, PGeo is the Qualified Person for the Company and reviews all technical disclosures.

1.3 – SELECTED ANNUAL INFORMATION

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended September 30, 2016, 2015, and 2014, as applicable.

The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	Periods ended September 30,		
	2016	2015	2014
	$	$	$
Revenue	**-**	79,266	377,459
Cost of goods sold	**-**	43,643	339,164
Gross margin	**-**	35,623	38,295
Finance and other (expense) income, net	**- 181,634**	131,859	67,935
Net loss for the year	**- 162,598**	132,019	67,935
Net loss per share (basic and diluted)	**-**	-	-
Other comprehensive income (loss)	**- 182,681**	100,992	67,935

	As at September 30,		
	2016	2015	2014
	$	$	$
Total Assets	**2,092,157**	1,886,388	1,423,067
Total long term liabilities	**-**	104,865	-
Dividends declared	**-**	-	-

"Revenues", "Cost of goods sold" and "Gross margin": The decrease during 2015 and 2016 corresponds to the gradual reduction of the trading efforts in favour of focusing on the development of its processing facilities.

Finance and other (expense) income, net and loss of the period: the increase in financial and other expenditures is related to the company's efforts to develop its processing facilities. Given the exchange rate applicable during the consolidation process, the variations affect the Other Comprehensive Income (loss) category.

Total assets: the increase corresponds to the investment in the development of the processing facilities.

Long-term liabilities: the increase corresponds the issue of convertible debentures, which were reclassified to short-term during 2016.

1.4 – RESULTS OF OPERATIONS

Period over Period.

Revenue for the period ended September 30, 2016 was $Nil and cost of goods sold was $Nil resulting in a gross margin of $Nil. Revenue for the period ended September 30, 2015 was $79,266 and cost of goods sold was $43,643 resulting in a gross margin of $35,623. . Revenue for the period ended September 30, 2014 was $377,459 and cost of goods sold was $339,164 resulting in a gross margin of $38,295.

1.4 – RESULTS OF OPERATIONS – Continued.

This decrease is the result of the gradual reduction of the trading efforts in favour of focusing the company on the development of its processing facilities. Revenue corresponds to gold sales from the Company's Precious Metals Trading Program, whereby the company acquires precious metals from individuals and companies at prices discounted in relation to the daily SPOT price before reselling the metal through its network of jewellers and refiners. The program has delivered and average margin of 10% during the year.

During the period ended September 30, 2016, the Company reported a net loss of $162,598 the most significant components of which were, management fees of $99,570; depreciation of $21,996; interest and finance costs of $19,814.

Management fees during the period ended September 30, 2016 increased by $114,875 to $162,598 compared to $47,723 in the period ended September 30, 2015. The Company saw an increase in corporate staff, which coincided with a reduction in the company's reliance on consultants. In order to enhance the alignment of interests between the Company's corporate team and it shareholders as well as retain the Company's talent; the Company's President, Ryan Jackson, at the request of the Company's Board of Directors, took a more active role in the management of the Company's everyday business; leading the Company's marketing, investor relations, procurement, and corporate affairs departments and liaises with Newlox's technical advisors and consultants, ensuring the Company has adequate management in place to address the day-to-day affairs of the Company as well as plan and put into effect a cohesive corporate strategy.

Depreciation during the period ended September 30, 2016 decreased by $11,389 to $21,996 compared to $33,385 in the period ended September 30, 2015. The decrease was due to a disposal of vehicles during the period.

Interest and finance costs during the period ended September 30, 2016 increased by $2,733 to $19,814 compared to $17,081 in the period ended September 30, 2015. The increase was due to an increase in the interest rate applicable to the Loan Notes during the period.

Quarterly

During the three months ended September 30, 2016, the Company reported a net loss of $97,974 and loss per share of $0.00 compared to $64,643 and $0.00 respectively for the three months ended September 30, 2015. Significant variances are discussed as follows:

During the three months ended September 30, 2016, the Company incurred $61,278 in Management fees, an increase of $36,467 over the three-month period in the prior year. This was a result of the full time incorporation of the Company's President, Ryan Jackson to the company's staff, as previously explained.

1.5 – SUMMARY OF QUARTERLY RESULTS

Three months ended	Revenue	Gross Profit	Net Loss	Net Comprehensive Loss	Loss per share
	$	$	$	$	$
30-Sep-16	**-**	**-**	**- 97,974**	**- 102,954**	**0.00**
30-Jun-16	-	-	- 64,623	- 79,728	0.00
31-Mar-16	- 33,853	- 33,863	- 246,000	- 74,646	0.00
31-Dec-15	11,529	2,931	- 88,412	- 42,359	0.00
30-Sep-15	29,399	21,400	- 64,643	- 68,944	0.00
30-Jun-15	49,867	14,233	- 62,214	- 16,182	0.00
31-Mar-15	28,713	4,092	- 181,859	- 87,784	0.00
31-Dec-14	23,221	7,846	- 108,734	- 108,734	0.00

During the last eight quarters, the Company's net loss has ranged between $246,000 and $ 62,214. The Company losses and expenditures have generally increased during this period as the Company is focusing on the development of its processing facilities. Comprehensive loss for the period ended September 30, 2016 comparatively fluctuates due to the recognition of foreign currency translation gains (losses). The decrease in revenues coming from the precious metal trading program is the result of the gradual reduction of the trading efforts in favour of focusing the company on the development of its processing facilities. During the quarter ended March 31, 2016 an adjustment based on IAS 16, section 17.E, reallocated precious metals produced during development phase test production to the 'property, plant, and equipment' section. As a result, monies, which would have been attributed to "gold sales" during previous periods, were no longer included in that category. The Company experienced fluctuations in gross profit, as a result of management's decision deemphasize the Company's precious metals trading business in order to focus on the development of the Newlox's artisanal mine tailings reclamation and reprocessing business. As a result, the Company did not maintain a constant trading float of funds allocated to the precious metals trading program but instead executed trades when surplus funds were available before deployment in the development of the Company's main business. This approach allowed the Company to generate return on capital waiting to be deployed.

Reconciliation between the intended use of proceeds and their actual is presented below:

		Use of Proceeds				
Date	Details	Category	Proposed	Actual	Variances	Explanation
9-Aug-16	220,000 Shares At 0.05 per Share Net $ 11,000	Optimization and upgrades at the Company's processing plant.	11,000	11,000	None.	N/A
10-Jun-15	420,000 Shares At 0.05 per Share Net $ 21,000	Optimization and upgrades at the Company's processing plant.	21,000	21,000	None.	N/A

1.6/1.7 – LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2016 the Company has financed its operations and met its capital requirements primarily through the issuance of capital stock by way of private placements and from the issuance of convertible debentures. As at September 30, 2016, the Company had cash of $6,459 representing an increase of $5,762 compared with cash of $1,221 at September 30, 2015.

As at September 30, 2016, the Company had a working capital deficiency of $866,726 and shareholders' equity of $1,189,006 as compared to working capital deficiency of $457,825 and shareholders' equity of $1,214,269 as at September 30, 2015.

For the period ended September 30, 2016: The Company's cash position at September 30, 2016 was $6,459. The $5,762 change in cash during the year ended March 31, 2016 was a result of the Company's investment in its environmental reclamation plant.

During the period ended September 30, 2016, investing activities consisted of investing into the Company's subsidiary: The company continued to fine-tune its processing operations and installed an intensive leaching system on their beneficiation plant.

During the period ended September 30, 2016, financing activities consisted of the following:

On May 24, 2016, the Company issued 3,634,379 units at $0.05 per unit for total proceeds of $ 181,718.95 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On Aug 09, 2016, the Company issued 220,000 units at $0.05 per unit for total proceeds of $ 11,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. Also, the Company issued 200,000 units at $0.05 per unit for total proceeds of $ 10,000 in connection with a Shares for Debt Transaction. Each unit consists of one common share and a total of 200,000 warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 300,000 common shares at $0.05 each for total proceeds of $15,000 in connection with a Shares for Debt Transaction.

On Sept 19, 2016, the Company issued 420,000 units at $0.05 per unit for total proceeds of $ 21,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. The Company incurred $770 in finder's fee for this private placement as well as issue 15,400 Compensation Warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 352,132 common shares at $0.05 each for total proceeds of $17,606.60 in connection with a Shares for Debt Transaction.

For the period ended September 30, 2015: The Company's cash position at September 30, 2015 was $1,221. The ($29,834) change in cash during the period ended September 30, 2015 was a result of the Company's net loss from operations added to the investment in operations exceeding funds raised from financing activity.

During the period ended September 30, 2015, financing activities consisted of the following:

On May 25, 2015, the Company issued 1,000,000 units at $0.05 per unit for total proceeds of $50,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of two years. The proceeds for this private placement were received during the year ended March 31, 2015 and were included in subscriptions received.

On June 10, 2015, the Company issued 2,000,000 units at $0.05 per unit for total proceeds of $100,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of 2 years. The Company incurred $4,000 in finder's fee for this private placement.

1.6/1.7 – LIQUIDITY AND CAPITAL RESOURCES – Continued.

Other sources of funds

The Company continued developing its Oro Roca Processing Plant during the period ended September 30, 2016. The Oro Roca Plant is in its final testing stage and it is expected it will reach productive operating status during the current year.

As at September 30, 2016 other sources of funds potentially available to the Company are through the exercise of outstanding share purchase warrants with terms as follows:

Expiry Date	Exercise Price	March, 2016	Issued	Exercised	Expired/ Cancelled	Nov, 2016
November 14, 2016	$0.05	7,700,000	-	-	7,700,000	-
November 18, 2016	$0.05	335,982	-	-	335,982	-
May 25, 2017	$0.10	1,000,000	-	-	-	1,000,000
June 10, 2017	$0.10	2,000,000	-	-	-	2,000,000
May 24, 2019	$0.10	-	3,634,379	-	-	3,634,379
August 9, 2019	$0.05	-	440,000	-	-	440,000
September 19, 2019	$0.05	-	435,400	-	-	435,400
		11,035,982	4,509,779	-	8,035,982	7,509,779

In the future, the Company may have capital requirements in excess of its currently available resources and may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's future capital requirements will depend on many factors, including, among others, the ability to produce commercial quantities of concentrate and sell above cost. Should the Company wish to pursue current and future business opportunities, additional funding will be required.

The Company believes that its current plans and requirements cannot be funded from existing cash on hand and it is necessary to raise additional working capital until such time as internal cash flow is generated from its operations.

To the extent that the Company continues to incur losses and its resources are insufficient to fund the Company until profitability is reached, the Company will need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay expenditures or acquisitions.

Capital Commitments, Expenditures and Working Capital requirements.

The Company has entered into agreements to lease office and processing plant premises from February 2014 to May 2017. As at September 30, 2016, future minimum annual lease payments are as follows:

Fiscal Year	$
2017	41,613
2018	1,706
	43,319

1.6/1.7 – LIQUIDITY AND CAPITAL RESOURCES – Continued.

The Companies' estimation on funds needed to complete the commissioning of our processing plant are as follows:

Consultants	$25,000.00
Travel and Accommodation	10,000.00
Consumables	10,000.00
Feed Stock	38,000.00
Backhoe	35,000.00
Vehicle	35,000.00
Plant Upgrades	32,000.00
Maintenance	5,000.00
Operations Capital	110,000.00
Sub Total	$300,000.00

The Companies' monthly burn rate is as follows:

Newlox Corporate		**Subsidiary**	
Legal	$4,000	Office	$1,000
Rent	2,000	Legal	3,000
Management	5,000	Management	5,000
Consulting	3,000	Employees	3,000
Accounting and compliance	5,000	Engineering	2,000
IR/PR	4,000	Compliance	1,000
Travel	4,000		
Working Capital	4,000		
Total	$31,000	Total	$15,000

1.8 – OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilise off-balance sheet arrangements.

1.9 – TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements, are described as follows.

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

1.9 – TRANSACTIONS WITH RELATED PARTIES (Continued)

As at September 30, 2016 and March 31, 2016, the Company has the following amounts owing to related parties:

	Sep-16	Mar-16
	$	$
Due to a director and related companies for management and consulting fees (a)	**42,614**	42,615
Due to a director (also an officer) for management fees (b)	**135,074**	94,404
Due to a director (also an officer) for management fees (c)	**-**	10,500
Due to a director (also an officer) for advances to the Company (d)	**150,830**	161,307
Due to a director for management fees	**1,056**	1,056
Due to a company controlled by a former director for management fees	**9,384**	9,384
	338,958	319,266

a) During the period ended September 30, 2016, the Company incurred management fees of $Nil (March 2016 – $Nil) to Don Gordon, a director, and his related companies. In addition, the Company wrote off $Nil (March 2016 – $Nil) on an amount owed by a company controlled by this director.

b) During the period ended September 30, 2016, the Company incurred management fees of $64,657 (March 2016 – $103,649) to Ryan Jackson, a director and officer.

c) During the period ended September 30, 2016, the Company incurred management fees of $Nil (March 2016 – $10,000) to David Carkeek, a director.

d) During the period ended September 30, 2016, the Company incurred management fees of $23,657 (March 2016 – $36,000) to Jeffrey Benavides, a director and officer.

Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, President and CFO. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the Directors, President and CFO, and by the issue of options.

	Sep-16	Mar-16
	$	$
Short-term employee benefits	**88,314**	149,649
Post employment benefits	**-**	-
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**-**	-
	88,314	149,649

There was no other compensation paid or payable to key management for employee services.

1.10 – FOURTH QUARTER

N/A.

1.11 – PROPOSED TRANSACTIONS

On April 12, 2016 – Newlox Gold Ventures Corp. announced it signed a letter of intent for the acquisition of 100% of the assets of Cordillera Gold Ltd. ("Cordillera"), its intention to seek approval for the consolidation of its share capital on the basis of 3.9024754:1.

On October 13, 2016 – Newlox Gold Ventures Corp. announced that it had opted to forgo the acquisition of 100% of the assets of Cordillera Gold Ltd. ("Cordillera"). In the course of due diligence, it was determined that it is not in the best interest of the Company and its shareholders to advance to a definitive agreement. As of the October 13, 2016 the Letter of Intent announced on April 12, 2016 can be considered null and void.

1.12 – CRITICAL ACCOUNTING ESTIMATES

This section is not required as the Company is a Venture lssuer, as the term is defined in National lnstrument 51-102 "*Continuous Disclosure Obligations".*

1.13 – CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

None.

1.14 – FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those 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 any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The Company does not hold financial assets in this category.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and accounts receivables fall into this category of financial instruments.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognised in profit or loss.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company does not hold financial assets in this category.

1.14 – FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – Continued.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in other categories of financial assets. The Company does not hold financial assets in this category.

  Available-for-sale financial assets are measured initially at fair value. The Company's investments in equity instruments are subsequently measured at cost as they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

For financial assets measured at amortized cost, if in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognised in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process. The Company's accounts payables and accrued liabilities, amounts due to related parties, and convertible debentures fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

1.15 – OTHER REQUIREMENTS

Authorized Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and Outstanding Common Shares

As at November 29, 16, the Company had 53,829,404 common shares issued and outstanding (March 31, 2016, 48,702,893) as presented in the consolidated statements of changes in shareholders' equity.

i) Shares Issued for Business Acquisition in Fiscal 2015

On April 14, 2014 the Company issued 20,000,000 common shares with a fair value of $1,000,000 for the acquisition of Oro Roca (Note 2).

ii) Shares Issued for Cash in Fiscal 2015

On May 1, 2014 the Company issued 360,000 units at $0.07 per unit for total proceeds of $25,200 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.15 per share for a term of two years. The Company incurred $2,520 in finder's fee.

On November 18, 2014 the Company issued 335,982 units at $0.05 per unit for total proceeds of $16,799 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.05 per share in the first year and $0.15 in the second year.

iii) Shares Issued for Cash in Fiscal 2016

On May 25, 2015, the Company issued 1,000,000 units at $0.05 per unit for total proceeds of $50,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of two years. The proceeds for this private placement were received during the year ended March 31, 2015 and were included in subscriptions received.

On June 10, 2015, the Company issued 2,000,000 units at $0.05 per unit for total proceeds of $100,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of 2 years. The Company incurred $4,000 in finder's fee for this private placement.

iv) Shares Issued for Cash in Fiscal 2017

On May 24, 2016, the Company issued 3,634,379 units at $0.05 per unit for total proceeds of $ 181,718.95 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On Aug 09, 2016, the Company issued 220,000 units at $0.05 per unit for total proceeds of $ 11,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. Also, the Company issued 200,000 units at $0.05 per unit for total proceeds of $ 10,000 in connection with a Shares for Debt Transaction. Each unit consists of one common share and a total of 200,000 warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 300,000 common shares at $0.05 each for total proceeds of $15,000 in connection with a Shares for Debt Transaction.

On Sept 19, 2016, the Company issued 420,000 units at $0.05 per unit for total proceeds of $ 21,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. The Company incurred $770 in finder's fee for this private placement as well as issue 15,400 Compensation Warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 352,132 common shares at $0.05 each for total proceeds of $17,606.60 in connection with a Shares for Debt Transaction.

1.15 – OTHER REQUIREMENTS (Continued)

Share Purchase Warrants

The continuity of warrants as at November 29, 16, is as follows:

Expiry Date	Exercise Price	March, 2016	Issued	Exercised	Expired/ Cancelled	Nov, 2016
November 14, 2016	$0.05	7,700,000	-	-	7,700,000	-
November 18, 2016	$0.05	335,982	-	-	335,982	-
May 25, 2017	$0.10	1,000,000	-	-	-	1,000,000
June 10, 2017	$0.10	2,000,000	-	-	-	2,000,000
May 24, 2019	$0.10	-	3,634,379	-	-	3,634,379
August 9, 2019	$0.05	-	440,000	-	-	440,000
September 19, 2019	$0.05	-	435,400	-	-	435,400
		11,035,982	4,509,779	-	8,035,982	7,509,779

The continuity of warrants for the year ended March 31, 2016 is as follows:

Expiry Date	Exercise Price	March, 2015	Issued	Exercised	Expired/ Cancelled	March, 2016
May 7, 2015	$0.15	360,000	-	-	360,000	-
December 31, 2015	$0.10	2,500,000	-	-	2,500,000	-
March 4, 2016	$0.10	9,000,000	-	-	9,000,000	-
November 14, 2016	$0.05	7,700,000	-	-	-	7,700,000
November 18, 2016	$0.05	335,982	-	-	-	335,982
May 25, 2017	$0.10		1,000,000			1,000,000
June 10, 2017	$0.10		2,000,000			2,000,000
		19,895,982	3,000,000	-	11,860,000	11,035,982

Finder's Warrants

As at November 29, 16, the Company has no (2016 - Nil) common shares held in escrow.

Escrow Shares

As at November 29, 16, the Company has no (2016 - Nil) common shares held in escrow.

1.15 – OTHER REQUIREMENTS – Continued.

Additional Disclosure for Venture issuers without Significant Revenue

Below is a summary of the operating expenditures:

	Sep-16	Sep-15
	$	$
Accretion	**-**	-
Bad Debts	**-**	-
Consulting Fees	**1,442**	31,307
Depreciation	**21,996**	33,385
Interest on Debentures	**19,814**	17,081
Management Fees	**99,570**	47,723
Office	**12,537**	15,111
Professional Fees	**13,599**	7,291
Tax Expense	**-**	-
Telephone	**1,208**	985
Transfer Agent and Filing Fees	**6,596**	14,541
Travel	**4,873**	58
	181,634	167,482

Disclosure controls and procedures
As defined in National lnstrument 52-109 Certification of Disclosure in lssuers' Annual and lnterim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with lnternational Financial Reporting Standards, as issued by the lnternational Accounting Standards Board ("IASB"), and in accordance with accounting policies set out in the notes to the audited consolidated financial statements for the year ended March 31, 2016.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a venture issuer, the Company is not required to certify the design and evaluation of the issuer's DC&P and ICFR and has not completed such an evaluation; and there are inherent limitations on the ability of management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Ryan Jackson"
Ryan Jackson
President and Director
November 29, 16