The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that affected Candente Gold Corp. ("Candente Gold") and its subsidiaries (collectively, the "Company") during the relevant reporting period and to the date of this report. This MD&A contains a review and analysis of financial results for the twelve months ended March 31, 2016 and identifies business risks that the Company faces and comments on financial resources required for development of the business.

This MD&A supplements, but does not form part of the consolidated financial statements of the Company and notes thereto for the twelve months ended March 31, 2016, and consequently should be read in conjunction with the afore-mentioned consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Information in this MD&A is current as of July 29, 2016.

All amounts, unless specifically identified as otherwise, both in the Company's consolidated financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of gold and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable gold and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the gold and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be considered carefully and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Usage of these terms may vary from the usage adapted by other companies and cannot be reconciled to comparable terms in the issuer's, consolidated financial statements for the twelve months ended March 31, 2016.

In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW AND STRATEGY

The Company is principally engaged in the exploration and development of mineral properties in Mexico and Peru. The Company is in the exploration stage as its properties have not yet reached commercial production and none of its properties is beyond the preliminary exploration stage. All work presently planned by the Company is directed at defining mineralization and increasing understanding of the characteristics of, and economics of, that mineralization. The Company's principal asset is the El Oro gold-silver property located in the states of Mexico and Michoacan, Mexico (the "El Oro Property" or the "Property"). As of the date of this MD&A, the Company holds a 70% interest in the El Oro Property.

In June of 2013 the Company entered into an agreement ("Tailings Agreement") with the Municipality of El Oro giving the Company 100% of the right to explore and reprocess several different tailings deposits located throughout the Municipality of Hidalgo, State of Mexico. The Company has conducted evaluation activities on one of the acquired gold and silver tailings deposits, specifically, the Mexico Mine Tailings. The original term for this Tailings Agreement ended December 2015; on March 15, 2016, the Company entered into an extension with the Municipality under the same terms.
In June 2015, the Company delisted from the Toronto Stock Exchange and received conditional approval to list its common shares on the TSX Venture Exchange under the ticker symbol "CDG". In July 2015, the Company completed its voluntary change in exchange listing with no interruption to trading of the Company's common shares.

During the period ended June 30, 2015, the Company allowed certain claims with regard to Peruvian properties to lapse and thus, recorded a non-cash impairment of $1,185,000. The Company has maintained in good standing a portion of the Tres Marias and Lunahuana properties which are early to mid-stage gold and gold-silver exploration projects in Peru.

In July 2015, the Company announced progress on leach extraction testwork at McClelland Laboratories, Inc. in Sparks, Nevada on samples of tailings material for the Mexico Mine Tailings Project. This testwork program was designed to evaluate the potential for leach extraction of gold and silver from representative samples collected from the Mexico Mine Tailings during the 2014 Auger Sampling program. A key aspect of this leach testwork program was that the tailings material would be subjected to additional grinding prior to leaching. Testwork completed in the late 1980's indicated that additional grinding of the tails may significantly improve precious metal recoveries by cyanide leaching. Testwork at McClelland Laboratories also included metallurgical and mineralogical characterization of the Mexico Mine Tailings, to assist in optimizing recovery strategy. The cyanide leach extraction testwork program did not replicate satisfactory leach extraction figures from the late 1980's and therefore this aspect of the testwork was discontinued.

The testwork program has provided insight as to the nature of the gold and silver in the Mexico Mine Tailings and as a result, Management believes additional testwork is warranted to fully assess the potential of producing a gold-silver concentrate for toll treatment at an offsite processing facility.

Importantly, analysis has shown the Mexico Mine Tailings have a silica content of greater than 80%. The combination of significant precious metals content and high silica content offers potential for the Mexico Mine Tailings to be sold to smelters for use as a smelter flux. The Company canvassed a number of commercial smelters regarding treatment of the tailings and several expressions of interest were received. However, to this point, terms proposed have not justified the initial expense that would be incurred by the Company to commence mining and transport of the tailings to a smelter.

In November 2015, Independent Director Dr. Peter Megaw resigned for personal reasons. Dr. Megaw will remain associated with the Company in the capacity of Consultant in order to leverage his extensive and valuable knowledge of gold exploration in Mexico.

In March 2016, the Company entered into an agreement with Sun River Gold Corp. ("SRG"), a private Nevada corporation, to grant SRG the right and option to earn a 51% interest in the Company's tailings project in El Oro Mexico subject to specific terms as outlined in the Company's news release 053 dated March 8, 2016.

On July 11, 2016, the Company announce, a non-brokered private placement to raise gross proceeds of approximately CDN$500,000 at a price of CDN$0.05 per share. Proceeds are to be used to further define drill targets on the El Oro Property and for working capital and general corporate purposes. Management and Directors have expressed interest to subscribe for shares.

PROJECT SUMMARY & OPERATIONAL OUTLOOK

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the section "Forward-Looking Statements" included with this MD&A. These factors are described under the heading "Risk Factors" and are Non-GAAP measures.

Mexico

El Oro Property

The El Oro Property is located in one of the most significant high grade Gold-Silver Districts in Mexico (the El Oro and Tlalpujahua mining districts) approximately 110 km west-northwest of Mexico City in the states of Mexico and Michoacán. The district hosts 57 known veins of which at least 20 veins have past production of precious metals. The majority of historic gold and silver production came from two principal veins, the Veta San Rafael and the Veta Verde with historic production to date of over 8 million ounces of gold equivalent. Historic mining grades were in the range of 19 to 80 grams per tonne ("g/t") gold and in the range of 240 to 800 g/t silver. The Company currently holds a 70% working interest in the Property.

Since 2006 the Company has completed a comprehensive exploration program that has resulted in the discovery of additional gold and silver mineralization well below the historical workings of the San Rafael Vein over a strike length of approximately 3.5 kilometers. Compilation work has compiled data from 143 drill holes, 115 historic shafts and 44 adits on the Property.

On July 27, 2012, the optionor Goldcorp S.A. de C.V. ("GoldCorp Mexico") and Desarrollos Mineros San Luis, S.A. de C.V. ("Desarrollos") confirmed that the Company had acquired 70% interest in the Property and elected not to proceed with the Back-In Option on the Historic part of the property, but elected to maintain their 30% undivided right, title and working interest in the entire property.

On June 12, 2013, the Company entered into the Tailings Agreement with the municipality of El Oro that provides the Company with access and processing rights to the tailing deposits from the historic El Oro mines which contain elevated levels of both gold and silver and which management believes may have the potential to be recovered economically. The tailings deposits are within the town site of El Oro, are easily accessible and are immediately adjacent to existing road access, as well as power and water services.

The Tailings Agreement provides for contributions of $25,000 upon signing and monthly contributions of $3,000 starting 30 days after signing. These contributions are partially to be used to fund Social projects for the citizens of El Oro. If the Company decides to enter into the processing and reclamation phase (Phase II), then an 8% Net Profits Interest ("NPI") will be paid to the municipality during the period of operation. If during any months of processing, there is no NPI due then a monthly contribution of $3,000 will be made. Please also refer to news release dated June 13, 2013.

The original term for this Tailings Agreement ended December 2015; on March 15, 2016, the Company entered into an extension with the Municipality under the same terms.
The tailings project has been the main focus of the Company's exploration and evaluation efforts since signing the June 12, 2013 Tailings Agreement. In early 2014, the Company received a preliminary level study from an independent consulting engineering firm indicating that the reprocessing and reclamation of the historic tailings offers potential for a positive financial return. The study recommended that additional technical and financial assessment be performed to further develop the tailings (see news release 034 dated April 15, 2014). Subsequent to receipt of the preliminary independent study, the Company carried out a verification sampling program which was successful in validating a significant portion of the historic assay results. Results from the 2014 verification sampling program were then combined with historical results and used by an Independent consultant to develop an Inferred Mineral Resource Estimate which was completed on July 8, 2014.

A Technical Report, compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") documenting the updated Mineral Resource Estimate was filed on SEDAR on August 25, 2014.

In 2016, the Company plans to continue evaluation work, especially metallurgical test work to ascertain gold and silver recoveries and potential economic viability of tailings reclamation and reprocessing operation.

Peru

Given that the Company's exploration priority is the El Oro property in Mexico, and in consideration of the high cost of maintaining mineral rights in Peru, the Company allowed certain claims to lapse in Peru which resulted in a non-cash impairment of $1,185,000. Much of this impairment is attributed to the Alto Dorado and Lunahuana properties. As at March 31, 2016, the Company has maintained in good standing a portion of the Tres Marias and Lunahuana properties. These properties are early to mid-stage gold and gold-silver exploration projects in Peru.

The Company has entered into an agreement with Inversiones Troy SAC giving Troy SAC the right to acquire 100% of the Tres Marias property subject to an NSR of 1% as well as option payments totaling $500,000. The payments are to be made to the Company upon initiating a drilling program and on both of the 12 and 24 month anniversaries of initiating the drilling. Troy retains the right to buy back 50% of the NSR for $500,000.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE TWELVE MONTHS ENDED MARCH 31, 2016 AND 2015

Operating Highlights	2016	2015	Change
Mexico			
Community Engagement and Initiatives	**$ 12,054**	$ 12,676	**$ (622)**
Drilling	**-**	146	**(146)**
Exploration: Data Compilation, Mapping, Geological Evaluations	**26,257**	477,563	**(451,306)**
Project administration	**71,050**	88,550	**(17,500)**
Cost recoveries	**(10,000)**	-	**(10,000)**
Peru			
Exploration: Data Compilation, Mapping, Geological Evaluations	**57**	25,350	**(25,293)**
Project administration	**-**	13,328	**(13,328)**
Total	**$ 99,418**	**$ 617,613**	**$ (518,195)**

Twelve Months Ended March 31, 2016 versus 2015

Below is a comparison of the exploration costs incurred above for the twelve months ended March 31, 2016 with the same period ended March 31, 2015:

- The Company's community engagement and initiatives costs consist of onsite programs involving the local community around El Oro.
- Exploration costs include costs of all geologic personnel and consultants in Mexico, Peru and Canada, mapping and 3-D modeling costs and civil works costs. Exploration costs as of March 31, 2016 have decreased from the same period in 2015 as the Company has decreased activities as a cost savings measure.
- Costs included in project administration are salaries for the staff on site at El Oro and the costs of maintaining the base camp operations at El Oro. These costs have decreased from the same period in 2015 because of the ongoing effort to reduce expenses.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Financial Performance and Financial Position for the Twelve Months Ended March 31, 2016

	Consolidated Statements of Financial Position		
	March 31, 2016	**March 31, 2015**	**Change**
Cash and cash equivalents	**$ 9,561**	$ 194,760	**$ (185,199)**
Unproven mineral rights interest	**$ 8,443,769**	$ 9,592,677	**$ (1,148,908)**
Total Assets	**$ 8,478,642**	$ 9,855,697	**$ (1,377,055)**
Share Capital	**$ 23,804,489**	$ 23,804,489	**$ -**
	March 31, 2016	**March 31, 2015**	**Change**
Net loss	**$ 1,612,697**	$ 1,241,296	**$ (371,401)**
Loss per share	**$ 0.02**	$ 0.02	**$ -**
Management fees, office salaries and benefits	**$ 39,670**	$ 71,067	**$ (31,397)**
Share-based payments	**$ 21,166**	$ 85,933	**$ (64,767)**
Consulting	**$ 19,012**	$ 30,748	**$ (11,736)**
Regulatory and filing fees	**$ 34,415**	$ 42,873	**$ (8,458)**
Audit and tax advisory	**$ 15,731**	$ 29,572	**$ (13,841)**

Twelve Months Ended March 31, 2016

Total cash and cash equivalents as of March 31, 2016 decreased from March 31, 2015 by $185,199 as a result of the Company's exploration expenditures (explained in the prior section of this MD&A) and cash paid for general and administration expenses (explained below) and unproven mineral right interest cash expenditures of $99,418 during the twelve months ended March 31, 2016.

Total unproven mineral rights decreased by over $1.11 million as a result of the impairment recorded from the Company deciding to allow certain claims in Peru to lapse.

Total assets decreased from $9,855,697 to $8,478,642, a decrease of $1.34 million. The decrease was mainly the result of the impairment recorded (explained above).

Net loss increased from the same period in 2015 by $341,401, largely due to the impairment recorded, net of the decrease in exploration and general and administrative expenditures.

Below is an explanation of the variances of amounts included in total general and administrative expenses for the period ended March 31, 2016:

- Management fees, office salaries and benefits are personnel costs incurred at the Company's offices in Vancouver, Mexico and Peru. These costs decreased by $31,397 from the same period in 2015, as a result of a decrease of management personnel.
- Share-based payment expense for the period ended March 31, 2016 was $21,166. This was a decrease from the same period in 2015 of $64,767 as a result of less options granted and vested during the twelve month period ended March 31, 2016 than for the same period in 2015.
- Consulting fees decreased from the same period in 2015 by $11,736 as a result of cost savings initiated by the Company.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's cash flow activities for the twelve months ended March 31, 2016 and 2015:

	For the Year Ended March 31,				2016 versus 2015	
Cash Flow		**2016**		2015		Change
Used in Operating Activities	**$**	**(187,701)**	$	(556,267)	**$**	**368,566**
Used in Investing Activities	**$**	**(3,092)**	$	(32,331)	**$**	**29,239**
Provided from Financing Activities	**$**	**-**	$	451,516	**$**	**(451,516)**
Cash beginning of period	**$**	**194,760**	$	329,617	**$**	**(134,857)**
Cash end of period	**$**	**9,561**	$	194,760	**$**	**(185,199)**

OPERATING ACTIVITIES

2016 versus 2015

Cash flows used in operating activities decreased from the same period in 2015 by $368,566. The decrease was the result of a decrease in the loss for the period (excluding the non-cash impairment) of $371,401 (explained above).

INVESTING ACTIVITIES

2016 versus 2015

Cash used for investing activities decreased from the same period in 2015 by $29,239. The decrease was the result of larger acquisition costs paid in Peru last year compared to the twelve months ended March 31, 2016.

FINANCING ACTIVITIES

2016 versus 2015

Cash provided by financing activities decreased from the same period in 2015 by $451,516 as a result of no proceeds received from private placements, exercise of stock options or loans provided by related parties.

CAPITAL RESOURCES AND LIQUIDITY OUTLOOK

The Company's capital resources include existing cash and cash equivalents of $9,561 and trade and other receivables of $1,920. The Company anticipates that during the next year, it will use a substantial portion of available capital resources to pay trade payables and accrued liabilities and commitments related to ongoing exploration activities in Mexico and Peru. The Company anticipates that it will need to raise additional capital in the future to continue project development in Mexico and Peru as well as receive continued support from vendors.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds by entering into a joint venture agreement or through the issuance of securities or resource secured debt. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

SHARE CAPITAL

As of March 31, 2016 and July 29, 2016, the Company had 96,206,923 common shares outstanding.

As of July 29, 2016, the Company had 218,400 warrants outstanding and 9,390,000 outstanding share options.

COMMITMENTS AND CONTINGENCIES

The Company has no material or significant commitments or contingencies.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies owned by executive officers and directors. The following is a list of the related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – Management and exploration fees
- SW Project Management – Project management and exploration fees
- Michael Thicke Geological Consulting Inc. – Exploration fees for member group of companies
- Candente Copper Corp. – shared administrative expenses with a Company related by directors and management in common

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the twelve months ended March 31, 2016 and 2015. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

	Twelve months ended	
	March 31, 2016	March 31, 2015
Salaries and management and exploration fees	**$ 93,023**	$ 242,471
Share-based payment	**14,352**	54,644
	$ 107,375	$ 297,115

- Share-based payments are the fair value of options expensed to directors and key management personnel during the twelve months ended March 31, 2016.
- The Company does not remunerate the directors of the Company unless its market capitalization is greater than $75 million. During the twelve month period ended March 31, 2016, the Company paid $nil in directors fees (2015 - $nil).

Short-term debt – notes payable

The Company has indebtedness to a number of officers, current and previous directors, advisors and companies with directors in common. The indebtedness has arisen principally from cash payments being made at less than the accrued and recorded liabilities for services provided. The notes payable are a summary of these obligations, and have the following attributes:

(1) To be paid in full on January 31, 2017;
(2) Non-interest bearing;
(3) The notes may be used as partial or full payment under any future private placement of the Company's common shares. This may be paid at the Company's option at no penalty before January 31, 2017. If any amount is paid, the amount will then be deemed to be a payment on the principal amount of the note.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies are summarized in Note 3 of its interim consolidated financial statements for the twelve months ended March 31, 2016. The preparation of consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. The Company regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

(a) Critical accounting estimates

i. Valuation of share-based payments and warrants

When options and warrants are issued, the Company calculates estimated fair value using a Black-Scholes valuation model, which may not reflect actual fair value on exercise. The Company uses historical Company stock prices and estimated dividend yield rates to arrive at the inputs that are used in the valuation model to calculate the fair value of options or warrants.

(b) Critical accounting judgments

i. Going concern

Management assesses the Company's ability to continue as a going concern.

ii. Unproven mineral right interests

Mineral properties, include the cost of acquiring licenses, exploration and analysis, project administration, drilling, community and social values and environmental and health and safety. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Management is required to exercise significant judgment in determining the timing of the determination of the technical and economic feasibility of the mineral resource. The Company considers both external and internal sources of information in assessing whether there are any indicators that unproven mineral right interests are impaired.

iii. Functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment in which the entity operates and the Company reconsiders its functional currency and that of its subsidiaries if there is a change in events and conditions which determined the primary economic environment.

CONTROL MATTERS

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management as is appropriate to permit timely decisions regarding public disclosure.

Management is reasonably confident that material information relating to the Company, including its consolidated subsidiaries, is being made known to senior management in a timely manner, and that the Company's disclosure controls and procedures are effective not only with respect to the Company's annual filing requirements but on an ongoing basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

An evaluation of the design effectiveness of the Company's internal controls over financial reporting was conducted as of March 31, 2016 by the Company's management. Based on this evaluation, the Company's CEO and CFO have concluded that the design, disclosure controls, procedures and the effectiveness of the Company's internal controls over financial reporting was and is effective.

There were no changes in the Company's internal control over financial reporting during the period from April 1, 2015 to March 31, 2016 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RISK FACTORS

The Company is subject to a number of significant risks due to the nature and the current stage of its business and the effect of worldwide economic conditions. Exploration of mineral properties involves a high degree of technical, financial and social risk. While discovery of a mineral deposit may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish resources and reserves by drilling, constructing mining and process facilities, developing metallurgical processes and extracting base and precious-metals from ore. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Risk factors that should be taken into account in assessing the Company's activities and any investment in the Company include, but are not limited to, those listed below. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all-inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

Economic conditions may prevent the Company from obtaining the capital required to continue operations

The Company's ability to continue operations is contingent on its ability to obtain additional financing. Equity market conditions, funding environments and the price of the Company's common shares may make it dilutive and difficult to raise funds by the sale of the Company's shares. An investment in the shares of a junior resource company is considered to be a high-risk investment. The Company currently is in the process of raising capital to fund current operations and a working capital deficit, and there is no assurance that financing will be available to the Company in future periods.

History of Losses

The Company has incurred a net loss for the twelve months ended March 31, 2016 of $1.61 million and is expected to continue to generate losses while it continues to be an exploration-stage company. The Company anticipates significant expenditures for its mineral exploration programs. Since most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full, the Company expects to report net losses into the foreseeable future.

The long-term profitability of the Company's operations will be in part directly related to the success of its exploration programs, which are affected by numerous factors including the cost of such programs, the amount of mineral resources or reserves discovered and fluctuations in the price of any minerals produced.

Dilution

The Company does not generate any revenues from production and may not have sufficient financial resources to undertake by itself all of its planned exploration, feasibility and development programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in potential dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs and extent of future development activities.

Further exploration programs will depend on the Company's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration and development programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties. Also, failure to meet the Company's share of costs incurred under joint venture arrangements to which it is a party may result in a reduction of its interests in mineral properties. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete the recommended programs.

No Known Mineral Reserves

All of the Company's mineral properties are in the exploration stage and are without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. However, few mineral properties that are explored are ultimately developed into producing mines.

In the event a commercially productive mineral reserve is discovered, substantial expenditures are required to develop mineral reserves for production, development of metallurgical processes for extraction and to develop the mining and processing facilities and infrastructure at the production site. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Title to Mineral Properties

The Company believes it has diligently investigated title to all of its hardrock mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, these properties may be subject to prior unregistered agreements or transfers, which may affect the validity of the Company's ownership of such properties. The Company entered into an agreement on June 13, 2013 for the sole rights to recover and reprocess various tailings deposits located within the Municipality of Hidalgo. Although the original term for this agreement was until December 2015, the Company has been in communications with the Municipality regarding an extension to the agreement.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of the Company's mineral properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. The Company makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to the Company, all reasonable steps would be taken to perfect title to the particular claims in question. The Company is not aware of any material defect in the title to its mineral properties.

A claim on any of the Company's mineral properties, especially if commercially productive mineral resources or reserves are located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim would affect the Company's current operations due to the high costs of defending against such claims and its impact on senior management's time.

Key Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, certain management personnel of the Company are officers and/or directors of other publicly-traded companies and will only devote part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration and development expertise. In the event a commercial mineral deposit is discovered on any of the Company's properties, the Company will likely require the expertise of such consultants and others for the development and operation of a producing mine.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped base-metal and precious-metal properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

Industry Operating Hazards and Risks

Mineral exploration and development involves many risks, including location of commercially productive mineral resources or reserves, which may not occur even with a combination of experience, knowledge and careful evaluation. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides social disruptions, political instability and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the development and operation of mines and the conduct of exploration programs. Other risks include injury or loss of life, severe damage to or destruction of property, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. The occurrence of any of these operating risks and hazards may have an adverse effect on the Company's financial condition and operations.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that may have a material adverse effect upon its financial condition and operations.

Government Regulations Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupation health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining exploration, development or operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

To the best of the Company's knowledge, the Company is and will be operating in compliance with all applicable social and legal regulations. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of any future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new requirements.

Social Climate

Social acceptance to operate during the various stages of a mining project is an integral part of operating such that lack thereof provides a very real risk during the exploration, exploitation and closure stages of mine development. In addition, the fact that the means and tools to manage social acceptance are not an exact science adds to the level of risk.

The Company has established Corporate Social Responsibility policies and programs that includes:

- Regular communication with various members of the Community regarding their concerns and needs as well as our activities and objectives.
- Sustainable Development projects and alliances with International Non–Governmental Organizations ("NGOs") that are committed to improving the lives of families in under-developed regions.

The Company considers these initiatives as a foundation for building a positive and mutually beneficial long-term relationship with the various stakeholders in the project.

Environmental Liability

Although the Company is not aware of any formal claims for damages related to any impact that its activities have had on the environment, it may become subject to such claims in the future. An environmental claim could adversely affect the Company's business due to the high costs of defending against such claims and its impact on senior management's time.

The Company conducts exploration activities in Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees.

Although the Company is committed to compliance with all environmental regulations currently applicable, environmental hazards may exist on the Company's mineral properties, which are not known to the Company at present, that have been caused by previous or existing owners or operators.

Also, environmental regulations may change in the future which could adversely affect the Company's activities including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations will become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves, its future revenues, if any, are expected to be in large part derived from the future mining and sale of base and precious metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to other new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at http://www.sedar.com

APPENDIX A

Summary of selected annual information for each of the three most recently completed financial years

	Consolidated Statements of Financial Position					
	March 31, 2016		March 31, 2015		March 31, 2014	
Cash and cash equivalents	**$**	**9,561**	$	194,760	$	329,617
Unproven mineral right interests	**$**	**8,443,769**	$	9,592,677	$	9,688,757
Total Assets	**$**	**8,478,642**	$	9,855,697	$	10,195,641
Share Capital	**$**	**23,804,489**	$	23,804,489	$	23,356,166
Consolidated Statement of Loss						
	March 31, 2016		March 31, 2015		March 31, 2014	
Net (loss) income	**$**	**(1,612,697)**	$	(1,241,296)	$	(4,812,653)
Basic and diluted (Loss) Income per share	**$**	**(0.02)**	$	(0.02)	$	(0.07)

Summary of quarterly financial results

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net Loss	$(55,791)	$(111,961)	$(93,813)	$(1,351,132)	$(379,257)	$(150,057)	$(239,120)	$(472,862)
Loss Per Share Attributable to Shareholders Basic and Diluted	$(0.01)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.00)	$(0.00)	$(0.01)