



**MANAGEMENT'S DISCUSSION & ANALYSIS**

**MARCH 31, 2015**

**Iberian Minerals Ltd.**  
**Management's Discussion & Analysis**  
**Three month ended March 31, 2015**

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## **Introduction and Background**

The Management's Discussion & Analysis is a discussion and assessment of the results to date and future prospects of Iberian Minerals Ltd. and its subsidiaries ("Iberian" or the "Company"). The information provided herein should be read in conjunction with the Company's audited condensed interim consolidated financial statements and the notes thereto for the fiscal three month ended March 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. The effective date of this report is June 2, 2015.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Information and Statements" herein.

Iberian Minerals is listed on the TSX Venture Exchange under the symbol "IML" and on the OTCQB Exchange under the symbol "SLDRF". The Company is engaged in the exploration, acquisition and development of mineral properties in the Iberian Peninsula.

Following the sale of Alberta-1 property and the consequential inflow of significant funds and due to the very depressed situation that many other resource companies find themselves in with their inability to raise capital for project development, the Company is now in a position to grow through the acquisition of good quality projects. The Company will move these new projects, together with those projects already under the company's control, through initial development stages either through to production or to disposal to medium sized producers.

The Company will be looking to develop a series of new projects within the Iberian Peninsula utilising its well respected and knowledgeable employees and consultants based locally who have already proved their credentials with the number of projects already brought to the Company.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Overall Performance**

For the most of 2014 - 2015 and to the date of this report conditions continue to be a difficult period for the resource industry. This was reflected in the share price of Iberian Minerals ("IML") as well as many peers in the resource sector. However, Iberian Minerals has realised major key objectives which have significantly improved the Company's working capital position. The Company is now poised to advance the Cehegin Iron Ore Project concurrent with an immediate goal of evaluating base and precious metal prospects and gaining their mineral rights on advanced properties throughout the Iberian Peninsula that exhibit potential for development.

### ***Highlights***

- **March 2015 – IML sells its 100% interest in the Alberta-1 project for EUR5 million (approximately C\$7 million)**
- **March 2015 - IML buys out the \$625,000 Non-convertible debentures becoming debt free**
- **April and May 2015 – IML commences its Work Program on the Cehegin Iron Ore Project**

March 2015 - Iberian Minerals sold its 100% interest in the Alberta-1 tin, tantalum and lithium project, located in the Region of Galicia, north-western Spain to an arm's-length party for a total purchase price of EUR5 million euros, (CAD - \$6,858,000) in cash. The Company received conditional regulatory approval on the transaction from the TSX Venture Exchange on March 17, 2015. In the unlikely event the purchaser, after using its best efforts, and exhausting all legal and

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regulatory recourse over a period of many years, is unable to obtain a mining permit for the project, the Company would be required to refund EUR1 million to the purchaser.

Iberian Minerals now has significant working capital available for project acquisition and development and this differentiates it from the majority of other companies listed on the TSX Venture Exchange who will continue to struggle to meet basic corporate operating costs and will be required to dispose of assets at attractive prices to companies such as Iberian.

March 2015 – Iberian Minerals delivered notice for the early redemption of the non-convertible debentures, retiring the aggregate principle amount of \$625,000 plus interest. This resulted in an immediate cost savings on debt service, providing the Company with sufficient working capital to advance the Cehegin Iron Ore Project on an expedited basis.

April through May 2015 – Iberian Minerals commenced a multi-stage Work Program on the Cehegin Iron Ore Project. This included completion of a high-resolution airborne magnetic survey with the objective of confirming and defining the extent of several additional targets that have been identified through the data compilation program. This data was compiled during the 1980's by Altos Hornos de Viscaya, the former operators of the producing Cehegin Iron Ore mine. These targets exhibit similar geological features to the previously mined region of Cehegin and are interspersed throughout the project. This information will allow the Company to identify additional iron targets for the upcoming reconnaissance drill program, which will follow once the results of the aeromagnetic survey are confirmed.

#### ***Exploration and Evaluation Assets***

Management has worked diligently to identify mineral resource properties that indicated potential for commercial ore bodies. Exploration programs and technical studies aimed at determining the existence, grade, and economic feasibility of mineral deposits are being carried out. Mining activities are generally required to comply with varying levels of regulatory and environmental requirements that vary by jurisdiction. Sufficient capital has now been raised to carry out the programs. The accompanying discussions below address the status of each project and management's current beliefs with respect to each project.

##### ***Alberta-1: Doade-Presqueira Property, Spain***

The Company held a 100% interest in this concession which is located in northwestern Spain and is 3,690 hectares in size. This property is under exploration for lithium, tantalum, tin, rubidium and cesium. During 2011, 31 holes (3500 metres) were drilled, sampled, and assayed were completed and the results were filed on SEDAR and portions of it are posted on the Company's website ([www.solidresouces.com](http://www.solidresouces.com)).

As discussed earlier, on March 2, 2015, the Company entered into a definitive purchase and sale agreement with an arm's length third party with respect to the Company's 100% interest in the Alberta-1 Project for approximately \$6,858,000 CAD.

##### ***Peru Gold & Copper Property***

Due to the Company's focus on further expanding its focus on exploring and developing Spanish assets, no further work or significant expenditures are being allocated towards the Peru property at this time. By mutual consent the agreement for the right to purchase the license has remained in force.

##### ***The Cehegin Iron Ore Concessions, Spain***

On October 21, 2012, the Company entered into a binding option agreement with Lorente Y Pallares SL (the "Optionor") pursuant to which it acquired the option to purchase 100% of the sixty-two (62) iron ore concessions and metallic mining licenses, covering an area of 1,030 hectares, located in south eastern Spain.

On March 13, 2014 the Company's wholly-owned subsidiary, Solid Mines Espana, S.A.U. ("SME"), acquired all of the issued and outstanding shares of Lorente y Pallares, S.L. ("LyP"), a private Spanish company, in an arm's length transaction.

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LyP holds all of the rights and interests associated with the Cehegin 62 iron ore concessions in south-eastern Spain. In total the Cehegin iron ore property represents 62 exploitation concessions representing a surface area of 1,030 Hectares. The Company has applied for an expansion of the local area creating a continuous area of 6,900 hectares.

The purchase price for the acquisition was EUR135,000 (CAD - \$208,173), plus the repayment of mortgage debt in the amount of EUR45,000 (CAD - \$68,580) In addition a security payment in the amount of EUR45,861 (CAD - \$70,349) was given to a financial institution for future environmental restoration purposes and is now registered as an asset to SME. These amounts were paid on the closing representing a total price of EUR225,861 (CAD - \$347,103).

SME will be required to pay an additional amount of up to EUR2,700,000 once a mining permit is submitted and granted for all 62 concessions, an improvement over the previously announced cost of EUR3,000,000. If SME proceeds with the new magnetite mining project, this additional payment would be made within four months from the decision notice date on which the permits or licenses are issued. This additional amount will be reduced to EUR1,800,000 if SME proceeds with the project, but does not obtain all mining permits for the total 62 concessions in its initial submission for permitting. No net royalties will be due on any proceeds from commercialization of the project.

The magnetite concessions are located in the province of Murcia, region of Cehegín, in the triangle formed by the towns of Calasparra, Cehegín and Mula in south eastern Spain. The geological formation where the magnetite mineralization is located in the various fields is a Triassic Keuper facies associated with ophitic sub volcanic rock. The concessions were formally owned by the Spanish ironworks company, Altos Hornos de Vizcaya, which was the largest industrial company in Spain for much of the twentieth century. In 1975, all 62 concessions were grouped together in one single subsidiary of Altos Hornos de Vizcaya called Agrupacion Minera, SA who exploited one of the open pit mines – Mina Maria, for its own needs until 1985.

The 62 separate concessions, which were mined for iron ore during the 20th century, offer excellent infrastructure, including hydro, water and a railway, approximately 12 km away, connecting at the rail station in the municipality of Calasparra, to the deep sea port of Cartagena, 100 km away.

Production can commence on the existing permitted concessions upon the Company updating the viability and environmental studies to the satisfaction of the local mining and environmental authorities and upon suitable financing being available.

The Company's Spanish Geological team has analysed the 38,000 meters of historical drilling on the Cehegin Iron Ore concessions. 100% of the drill holes on three of the 62 concessions have been digitized allowing for the completion of 3D modelling. The Company's analysis confirms a vast expansion of the ore bodies which are open in all directions including depth.

The Company will continue its policy of continuous contact with local and regional authorities of all levels to ensure an alliance of mutual benefit. Politically, there is a strong commitment for the economic development of this region.

The Cehegín iron ore concession has a good infrastructure and access by rail to the deep sea Port of Cartagena, 104 Km away from the property. The concession is located in the south eastern area of the mineral rich Iberian Peninsula; this region has a long history of iron ore production that was once the dominant supplier to all of Europe. The Company was able to obtain all of the detailed historical mining and exploration data, compiled by the previous operational owner, Altos Hornos de Vizcaya. This valuable data will result in significant savings in exploration costs and advance the timeline to production.

The Company has received a technical report (NI 43-101) for the Cehegín property, prepared by Stanley C. Bartlett M.Sc., PGeo of Micon International Co Limited, in the United Kingdom, dated April 28, 2014, which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com) on May 20, 2014.

#### **Co-operation Agreement with Glencore**

On October 21, 2013, the Company signed a definitive and exclusive Co-operation Agreement (the "Agreement") with a wholly owned subsidiary of Glencore Xstrata plc ("Glencore", for joint due diligence of the Cehegin Project. Glencore is one of the world's largest global diversified natural resource companies. The Agreement also provides for the potential

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formation of a joint venture company to progress development of the formerly producing Cehegin Iron Ore Mine located in the Province of Murcia, south-eastern Spain.

Upon the execution of the Agreement, Iberian issued to Glencore twelve million (12,000,000) purchase warrants to purchase an equivalent number of common shares in the capital of Iberian, at an exercise price of \$0.19 which expired on October 18, 2014 and \$0.26 during the period from October 19, 2014 until the expiry date of October 18, 2015. The warrants will only vest and be exercisable as to 50% on the signing of the Agreement and as to 50% on Glencore contributing its share of costs for the initial exploration and study phase of the development programme

**Joint Venture with Glencore**

The Company has completed a due diligence study with Glencore which includes an analysis of the now completed 3D modelling of the historical drilling, the historical production data, logistics, environmental, production capital expenditure and the impact to the region and surrounding communities. Based on the conclusions and recommendations of the study, Iberian Minerals and Glencore have signed a definitive and exclusive Joint Venture Agreement (the "JVA"), which was announced on June 26, 2014. The Company plans to submit the documentation to obtain the necessary permits to commence a work program with an objective of increasing our knowledge of the resource potential within the concessions.

Under the terms of the JVA Glencore was granted a 20% interest in the Cehegin Project, with Iberian retaining an 80% interest. The joint venture will progress exploration and phased development studies with the objective of identifying and constructing a new iron ore mine. The parties have formed a joint venture company, Cehegin Iron Ore Holdings ("CIOH") to carry out the Project, which will initially be owned 80% by Iberian and 20% by Glencore. The ownership of the JV Company will be subject to change based on the terms of the JVA, which will depend on further funding requirements

The proposed Project is to be carried out in 4 Phases. During Phase 1, Iberian and Glencore will determine the potential feasibility of the Project. Following the completion of the due diligence during Phase 1, Glencore will then either elect to proceed with Phase 2, in which case the parties will enter into the JVA, or terminate the Agreement. Phase 1 has begun with the aeromagnetic survey having started on May 7 and completed the following week. A detailed interpretative report of the data is scheduled to be completed by the later part of June 2015.

During Phase 2, the parties formed a joint venture company (the "JV Company") to carry out the Project, which will initially be owned 80% by Iberian and 20% by Glencore. The ownership of the JV Company will be subject to change based on the terms of the JVA, which will depend on further funding requirements. Iberian will transfer all of its rights in the Cehegin Iron Ore concessions in south-eastern Spain to the JV Company. During Phase 2, the parties will prepare an Exploration and Concept Study. During Phase 3, the parties will prepare a Pre-Feasibility Study. During Phase 4, the parties will prepare a Feasibility Study and raise funding for the Project.

**Selected Annual Financial Information**

	December 31, 2014	December 31, 2013	December 31, 2012
Revenues from continuing operations	\$ -	\$ -	\$ -
Loss and comprehensive loss	(2,426,889)	(2,376,538)	(834,995)
Loss per share - basic and diluted	(0.02)	(0.02)	(0.01)
Exploration and evaluation assets	5,490,204	4,701,565	4,096,713
Total assets	5,644,370	5,369,699	4,139,838
Total liabilities	1,086,476	170,956	91,116
Total cash dividend paid	-	-	-
Working capital (deficiency)	(997,121)	497,178	(47,991)

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**Summary of Quarterly Results**

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) for the period	1,202,720	(366,692)	(537,788)	(734,291)	(788,117)	(1,329,584)	(324,801)	(228,863)
Income (loss) per share (basic & diluted)	0.01	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)

Fluctuations in the Company's expenditures reflect the variations in the timing of exploration activities and general corporate operations, and the timing of share-based payments and write-down of certain exploration and evaluation assets.

**Results of Operations**

This review of the results of operations should be read in conjunction with the condensed interim consolidated financial statements for the three month ended March 31, 2015:

*Financial results*

The Company had no operating revenue for the three month ended March 31, 2015 and 2014. For the three month ended March 31, 2015, the Company incurred a net income of \$1,202,720 (\$0.01 income per share) compared to a net loss of \$788,117 (\$0.01 loss per share) for the three month ended March 31, 2014. The income is comprised of general and administrative expenses of \$258,173 (2014 - \$784,104) and a gain of \$1,597,023 (2014 - \$nil) on the sale of exploration and evaluation asset, known as the Alberta-1 property in Spain. The overall decrease in general and administrative expense for the current year is primarily attributable to significant professional fees paid in regards to the Company's investigation and evaluation of the European and U.S. capital markets and a decrease in the share-based payments in the prior year

During the three month ended March 31, 2015, consulting fees of \$87,005 (2014 - \$67,856), management fees of \$82,500 (2014 - \$63,000), office and general costs of \$54,751 (2014 - \$15,809), investor relations costs of \$2,093 (2014 - \$5,032), and travel expenses of \$22,096 (2014 - \$24,217) were slightly higher than the prior year to support the increased corporate activity during the period as compared to 2014.

Share-based payments of \$8,911 (2014 - \$416,737) decreased as the number of stock options granted during the current period was lower than those granted or vested during the same period in 2014.

Foreign exchange loss was \$136,130 for the three month ended March 31, 2015 from a foreign exchange loss of \$1,734 for the three month ended March 31, 2014. The exchange rate loss is due to fluctuations in the foreign exchange rate between the Canadian dollar and the Euro.

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**Exploration and Evaluation Assets**

For the three month ended March 31, 2015, the Cehegin total expenditures were \$59,419 (2014 - \$344,651).

The Doade-Presqueira (Alberta 1) project's total expenditures were \$591,421 (2014 - \$250,920), comprised of geological fees and expenses \$180,906 (2014 - \$50,026), mining rights and taxes \$181,959 (2014 - \$14,963) and drilling, sampling and assay \$228,556 (2014 - \$185,931).

**Liquidity and Capital Resources**

At March 31, 2015, the Company's cash position was \$684,148 (December 31, 2014 - \$52,824) and the working capital was \$5,778,619 as compared to working capital deficiency of \$997,121 at December 31, 2014.

Net cash used in operating activities for the three month ended March 31, 2015 was \$444,492 (2014 - \$272,413) which relates primarily to general and administrative expenses and the gain on sale of exploration and evaluation assets which occurred during the period.

Net cash used in investing activities for the three month ended March 31, 2015 was \$267,828 (2014 - \$685,434) which relates primarily to expenditure on exploration and evaluation assets.

Net cash from financing activities for the three month ended March 31, 2015 was \$1,343,645 (2014 - \$815,450) was primarily the result of issuance of shares on private placement of \$600,000 (2014 - \$908,289), net of share issuance costs of \$6,755 (2014 - \$92,839), a debenture repayment of \$625,000 (2014 - \$nil) and the deposit received on the sale exploration and evaluation assets of \$1,375,400 (2014 - \$nil).

The Company is in an exploration phase and is not generating revenue as yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

Historically, the Company has been successful in raising working capital through private placements and loans to fund its operations and exploration programs and will need to raise more working capital through private placements or debt financing to continue operations and exploration and development programs. Management has undertaken an awareness program throughout Europe to inform these potential investors of the Company's uniquely located Spanish assets. Effective October 31, 2014, the Company began trading on the U.S. OTCQB venture marketplace, which is the premier marketplace for entrepreneurial and development-stage companies for U.S. investors. This will provide U.S. based shareholders with a readily accessible platform to buy or sell Iberian Minerals Shares. The Company will also undertake an investor awareness program throughout the U.S. to compliment this listing.

As explained in the "Highlights" section earlier, on March 2, 2015, the Company sold its 100% interest in the Alberta-1 project, for a total purchase price of EUR5 million (CAD - \$6,858,000) in cash and thus has the sufficient cash (working capital) to be considered one of the well financed companies listed on the TSX Venture Exchange.

In addition, on March 3, 2015, the Company delivered notice for the early redemption of the non-convertible debentures, retiring the aggregate principle amount of \$625,000 plus interest. This resulted in an immediate cost savings on debt service.

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**Transactions with Related Parties**

The Company entered into the following transactions with related parties:

***Key management personnel compensation***

	Three months ended	
	March 31, 2015	March 31, 2014
Employee benefits- management	\$ 82,500	\$ 63,000
Employee benefits - directors	19,547	21,000
Share-based payments - officers	-	171,764
Share-based payments - directors	8,911	85,266
<b>Total</b>	<b>\$ 110,958</b>	<b>\$ 341,030</b>

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

***Related party balances***

The amounts due to officers of the Company are as follows:

	March 31, 2015	December 31, 2014
Included in accounts payables and accrued liabilities <sup>(i)</sup>	\$ 4,290	\$ 110,937
	<b>\$ 4,290</b>	<b>\$ 110,937</b>

<sup>(i)</sup> These amounts are for advances expenses and consulting fees. They are unsecured, non-interest bearing and have no fixed terms of repayment.

**Changes in Accounting Policies Including Initial Adoption**

***Future Accounting Pronouncements***

A number of new standards, amendments to standards and interpretations, described in the notes to the condensed interim consolidated financial statements, are not yet effective as of the date of this report, and were not applied in preparing the condensed interim consolidated financial statements. The Company is currently assessing the impact that these standards will have on the condensed interim consolidated financial statements.



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## **Financial Risk Management**

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

At March 31, 2015, the carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

### **Financial risks**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### *Credit risk*

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At March 31, 2015, the Company's exposure to credit risk is minimal.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

As at March 31, 2015, the Company had a cash balance of \$654,148 (December 31, 2014 - \$52,824) to settle current liabilities of \$310,641 (December 31, 2014 - \$1,086,476). The Company expects to receive approximately \$5,350,441 from the sale of Alberta-1 property and thus has sufficient working capital to meet its operating and planned exploration program requirements for the current and next fiscal year. .

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

##### a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At March 31, 2015, the Company was not exposed to significant interest rate risk.

The Company has significant operating expenditures which are denominated in Euro ("EUR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the

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relevant business entities. The Company is principally engaged in the acquisition, exploration and development of mineral properties in Spain and Peru.

*Financial assets*

The Canadian dollar equivalent of the amounts denominated in foreign currencies as at March 31, 2015 and December 31, 2014 are as follows:

<b>March 31, 2015</b>	<b>EUR</b>
Cash	\$ 622,456
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December 31, 2014	EUR
Cash	\$ 15,821

*Financial liabilities*

The exposure of the Company's financial liabilities to currency risk are as follows:

<b>March 31, 2015</b>	<b>EUR</b>
Accounts payable and accrued liabilities	\$ 13,463
<hr/>	
December 31, 2014	EUR
Accounts payable and accrued liabilities	\$ 54,006

*Sensitivity analysis*

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in Euro. As at March 31, 2015, net financial assets totalling \$608,993 were held in Euro.

Based on the above net exposure as at March 31, 2015 and assuming all other variables remain constant, a 2% depreciation or appreciation of the Euro against the Canadian dollar would result in an increase or decrease of approximately \$12,178 in the Company's loss and comprehensive loss

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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**Capital Commitments**

The Company had no commitments for property and equipment expenditures for fiscal 2015. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

**Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet arrangements.

**Proposed Transactions**

At the date of this MD&A, there are no disclosable transactions that the board of directors or senior management are aware of.

**Critical Accounting Estimates**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

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**Outstanding Share Data**

*Authorized share capital*

Unlimited number of common shares without par value.

*Common shares*

At March 31, 2015, there were 158,521,047 issued and fully paid common shares (December 31, 2014 - 146,521,047).

At June 2, 2015, there were 159,380,137 issued and fully paid common shares as the Company completed a non-brokered private placement for a total of 12,000,000 common shares of the Company.

*Stock options*

At March 31, 2015, there were 14,050,000 stock options outstanding; of which 13,975,000 are exercisable at weighted average price of \$0.10.

As of June 2, 2015, there were 14,050,000 stock options outstanding; of which 14,000,000 are exercisable at weighted average price of \$0.10.

*Warrants*

At March 31, 2015, there were 39,456,667 warrants outstanding and exercisable at weighted average exercise price of \$0.16.

At June 2, 2015, there were 35,541,667 warrants outstanding at weighted average exercise price of \$0.21; of which, 29,541,667 and exercisable at weighted average exercise price of \$0.23.

*Agent's warrants*

At March 31, 2015 and June 2, 2015, there were 218,050 finders' warrants outstanding and exercisable at weighted average exercise price of \$0.20.

**Risk and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply: the risks associated with our dependence on the Doade-Presqueira and the Cehegín Iron Ore Concessions in Spain; geological exploration and development; changes in law, unrest and political instability; environmental permits for development of the Company's properties cannot be obtained or renewed on terms satisfactory to the Company and other land title permitting and licensing risks; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks..

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**Forward-Looking Information and Statements**

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

**Additional Information**

The Company's publicly filed documents are available on SEDAR at [www.sedar.com](http://www.sedar.com) and more information is also available on Company's website at [www.solidresources.com](http://www.solidresources.com).