

EXPLOREX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

The following Management's Discussion and Analysis ("MD&A") of the financial condition and financial condition and results of operations of Explorex Resources Inc. ("Exlorex" or "the Company") should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2016 and the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information provided in this MD&A, including financial information extracted from financial statements, is the responsibility of management.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is July 14, 2016.

Additional information regarding the Company is available on SEDAR at www.sedar.com.

Description of Business

Exlorex Resources Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011 and is currently engaged in acquiring, exploring and developing mineral properties, principally located in Eastern Canada. Effective June 11, 2012, the Company changed its name from Exlorex Capital Ltd. to Exlorex Resources Inc.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Yukon and its shares are listed on the CSE under the symbol EX.

Overall Performance

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

The Company has incurred recurring losses since its inception, and had an accumulated deficit of \$1,327,129 as at March 31, 2016 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

Property Acquisition

On May 11, 2016, the Company has entered into an option agreement with Happy Creek Minerals Ltd. to purchase a 100% interest in Happy Creek's Silver Dollar Property, located, approximately 45 kilometres southeast of Revelstoke, B.C. The Silver Dollar property is 3,160 hectares (31.6 square kilometres) in area and it is situated within the historical Camborne mining camp dating from around the early 1900's.

Upon the signing the Agreement and to earn 100% interest, the Company is required to make the following payments as follows:

- \$20,000 cash on the earlier of the date that is 5 days following Canadian Securities Exchange approval for closing of the Company's proposed private placement of \$400,000 and June 30, 2016 (paid);
- a minimum \$100,000 work commitment by November 11, 2016;
- 300,000 shares by December 1, 2016;
- 300,000 shares by November 11, 2017; and
- 1,000,000 shares by May 11, 2018.

The property is subject to a 1% NSR.

Private Placement

On July 5, 2016, the Company has closed the first tranche of its non-brokered private placement by issuing 1,915,000 common shares at a price of \$0.10 per common share for gross proceeds of \$191,500. In connection with first tranche of the private placement, the Company paid a finders' fee of \$7,000.

Investor Relation

On June 1, 2016, the Company has entered into an investor relations contract with Bircress Corporate Relations Inc ("Bircress"). Pursuant to the contract, Bircress shall receive a monthly fee of \$2,000 per month and was granted stock options to purchase 250,000 common shares of the Company at a price of \$0.15 for one year. The options have a vesting period of 25% per 3 month term pursuant to the Company's Stock Option Plan.

Mineral Property

Arlington Property, British Columbia

On January 19, 2015, the Company acquired 100% interest by staking, the Arlington property located in the historic Beaverder silver camp, 40 kilometres southeast of Kelowna and 14 km due north of the historic Beaverdell mining camp located along B.C. Provincial Highway 33 in south-central British Columbia.

The Arlington property covers 586.46 hectares, is road accessible and is centred on Hall Creek at the south end of Arlington Lakes, and covers 10 mineral showings listed in the BCMEM (British Columbia Ministry of Energy and Mines) Minfile. The bulk of the historical work on the claims dates back to the early part of the century while the Beaverdell Mt. Wallace mining camp was developing and during the construction of the Kettle Valley Railway. Evidence of this early exploration activity is noted by the presence of numerous overgrown adits, shafts, trenches and pits scattered throughout the property. The Minfile showings are dominantly quartz vein shear-hosted to disseminated copper occurrences centred on shear structures within Middle Jurassic-aged quartz diorite to granodiorite and a bounding chlorite hornblende schist unit of the Carboniferous- to Permian-aged Anarchist group. The Arlington showing located in the central portion of the property hosts polymetallic vein-style mineralization located at the contact between Middle Jurassic-aged quartz diorite and chlorite hornblende schist of the Anarchist group. A 1973 channel sample of strongly silicified and epidotized chlorite hornblende schist returned 63.0 grams per tonne silver and 0.92 per cent copper over 0.6 metre, while a grab sample from the showing in 1987 returned up to 1.61 per cent copper, 0.08 per cent lead, 0.02 per cent zinc and 85.3 g/t Ag.

The geological setting of the Arlington property is similar to that of the Beaverdell mining camp, where mineralization is hosted by propylitic-altered granodiorite, quartz diorite and quartz monzonite of the Middle Jurassic Westkettle batholith and to some extent by the Wallace formation, which is correlative with the upper sections of the Anarchist group. High silver values characterize the structurally controlled quartz-vein-hosted mineralization along with galena, sphalerite, pyrite and chalcopyrite. The Beaverdell silver mine is one of the oldest operating mines in Canada with near-continuous production between 1913 and 1991. Over this period, 1.3 million tonnes of ore was mined, producing nearly 34.6 million ounces of silver along with lead, zinc, cadmium, copper and gold.

The Arlington property is considered underexplored with potential for hosting polymetallic silver, lead, zinc plus/minus copper and gold mineralization.

As at March 31, 2016, the Company had \$35,935 of cumulative acquisition and exploration costs related to the Arlington property project.

Letter of Intent

On August 5, 2015, the Company announced that it entered into a letter of intent with Premium Access Apps, Inc. (“Premium Access”) for the proposed acquisition (the “Acquisition”) of certain assets of Premium Access by the Company (the “LOI”) for the purchase price of \$1,700,000 CDN comprised of a \$100,000 USD non-refundable deposit and 20,000,000 common shares issued at a deemed price of \$0.08 per common share having an aggregate value of \$1,600,000 CDN. Premium Access is an app development and pioneering technology company located in New York City, New York, USA.

Pursuant to the terms of the LOI, the Company shall complete a series of transactions following the share consolidation. The Company will issue up to 1,500,000 common shares at \$0.20 per share for a capital raising of up to \$300,000 CDN, out of which the Company will provide Premium Access with the non-refundable deposit of \$100,000 USD. Concurrent with the completion of the Acquisition, the Company will then further issue up to 5,000,000 common shares at \$0.25 per share for a capital raising of up to \$1,250,000 CDN.

On December 7, 2015, the letter of intent with Premium Access Apps was terminated and the Company wrote off the deposit of \$100,000 USD.

Results of Operations

<i>For the year ended March 31,</i>	2016	2015
	\$	\$
Financial results:		
Net loss for the period	(372,658)	(193,786)
Basic and diluted loss per share	(0.09)	(0.07)
Statement of financial position date:		
Cash	2,080	99,250
Total assets	43,329	125,168
Shareholders’ equity (deficiency)	(62,990)	115,168

During the year ended March 31, 2016, the Company reported a loss of \$372,658 (2015 - \$193,786). The Company's loss per share was \$0.09 (2015 - \$0.07). The loss for the year ended March 31, 2016 was mainly due to the following:

- Management fees of \$72,000 (2015 - \$72,000) were accrued or paid to a director of the Company, in consideration of management services provided by such director, including day to day administration for the Company, and overseeing regulatory filings and requirements.
- Professional fees of \$52,271 (2015 - \$35,120) were incurred in relation to legal, audit and accounting services.
- Consulting fees of \$33,000 (2015 - \$6,375) were incurred in relation to director's fee, project evaluation and due diligence associated with the proposed acquisition of Premium Access.
- Loss on deposit related to LOI of \$134,713 (2015 - \$Nil). The letter of intent was terminated by both parties and deposit for US\$100,000 was expensed.

Fourth Quarter

No significant items or events occurred in the fourth quarter of 2016 that would affect the Company's financial position, cash flows or results of operations. During the fourth quarter, the Company reported a net loss of \$71,513 compared to net loss of \$61,353 in the fourth quarter of 2015.

Summary of Quarterly Reports

Results for the most recent quarters ending with the last quarter for the period ended March 31, 2016:

	Three Months Ended			
	March 31, 2016 \$	December 31, 2015 \$	September 30, 2015 \$	June 30, 2015 \$
Interest income	Nil	Nil	Nil	Nil
Net loss	(71,513)	(188,167)	(55,212)	(57,766)
Basic and diluted per share	(0.02)	(0.04)	(0.02)	(0.01)

	Three Months Ended			
	March 31, 2015 \$	December 31, 2014 \$	September 30, 2014 \$	June 30, 2014 \$
Interest income	Nil	256	Nil	324
Net loss	(61,353)	(48,966)	(42,297)	(41,170)
Basic and diluted per share	(0.01)	(0.01)	(0.00)	(0.01)

Over the last eight quarters, expenditures have been consistent reflecting operational activities. The Company's expenses are comprised mainly of management, consulting, general office, stock exchange and transfer fees and professional fees. Expenses have remained low as a result of management of corporate and operational activity.

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements for the years ended March 31, 2016, 2015 and 2014.

	2016	2015	2014
	\$	\$	\$
Total Revenue	Nil	Nil	Nil
Net loss for the year	372,658	193,786	191,162
Basic and diluted loss per share	0.09	0.07	0.04
Total Assets	43,329	125,168	78,700
Share-based payment reserve	55,337	55,337	39,354
Deficit	1,327,129	954,471	760,685

Related Party Transactions

During the year ended March 31, 2016, the Company entered into the following transactions with related parties:

- Paid or accrued acquisition costs of \$Nil (2015 - \$10,935) and exploration costs of \$25,000 (2015 - \$Nil) that were capitalized as exploration and evaluation assets to a company controlled by a director of the Company.
- Paid or accrued consulting fees of \$24,000 (2015 - \$Nil) to a company controlled by a director of the Company.
- Paid or accrued rent of \$21,600 (2015 - \$19,600) and management fees of \$72,000 (2015 - \$72,000) to a company controlled by a director of the Company and Chief Executive Officer of the Company.
- Paid or accrued professional fees of \$Nil (2015 - \$12,000) to the former Chief Financial Officer of the Company.
- Paid or accrued professional fees of \$4,275 (2015-\$1,225) to the current Chief Financial Officer of the Company.
- During the year ended March 31, 2016, the Company issued Nil (2015 – 88,889) stock options to the officers and directors of the Company. Upon the issuance \$Nil (2015 - \$10,655) in share-based compensation expense was recorded.

Accounts payable to related parties are as follows:

	2016	2015
An entity controlled by a director and Chief Executive Officer	\$ 24,570	\$ -
An entity controlled by a director	1,250	-
An entity controlled by a director	25,200	
	\$ 51,020	\$ -

Commitments – Consulting agreements

On August 1, 2012 and amended on July 11, 2013, the Company has entered into a consulting agreement with a director of the Company for the provision of consulting services at a current cost of \$72,000 per annum. The agreement is for a term of five years. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to twenty-six months of fees and an additional two months of fees for each additional full year of management services completed after the first year of engagement, up to a combined maximum of forty-eight months of management fees.

Liquidity and Capital Resources

	March 31, 2016 \$	March 31, 2015 \$
Working capital (deficiency)	(98,925)	104,233
Deficit	1,327,129	954,471
Cash	2,080	99,250
Current assets	7,394	114,233
Current liabilities	106,319	10,000
Shareholders' equity (deficiency)	(62,990)	115,168

The Company does not have any commitments for material capital expenditures and none are presently contemplated other than as disclosed above normal operating requirements. The Company is dependent on the sale of common shares to finance its exploration activities, property acquisition payments and general and administrative costs. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Off Balance Sheet Agreements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Critical Accounting Policies and Estimates

The details of Explorex's accounting policies are presented in Note 3 of the financial statements ended March 31, 2016. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”)

In July 2004, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IAS 16 – Property, Plant and Equipment (“IAS 16”) and IAS 38 – Intangibles (“IAS 38”)

IAS 16 and IAS 38 were issued in May 2014 and prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods on or after January 1, 2016 and are to be applied prospectively.

Capital Management

Capital is comprised of the Company's shareholders' equity (deficiency). As at March 31, 2016, the Company's shareholders' deficiency was \$62,990. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended March 31, 2016.

Management Financial Risks

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The fair value of the Company's receivables, accounts payable and accrued liabilities approximates their carrying values due to the short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had a cash balance of \$2,080 to settle current liabilities of \$106,319.

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 rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. 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 prices, and the stock market to determine the appropriate course of action to be taken by the Company.

Risk and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

- a) the state of the capital markets, which will affect the ability of the Company to finance mineral property acquisitions and expand its contemplated exploration programs;
- b) the prevailing market prices for base metals and precious metals;
- c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property;
- d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property;

Other Risk Factors

Additional Financing

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's Properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its Properties.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain all necessary licenses and permits required carrying on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the Principal Properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the Principal Properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult than past years.

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forwardlooking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties

and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Management's Report on Internal Control Over Financing Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outstanding Shares

	Number	Exercise Price	Expiry Date
Common Shares	6,495,697	n/a	n/a
Stock Options	133,333	\$0.23	July 17, 2016
Stock Options	55,556	\$0.45	August 8, 2016
Stock Options	11,111	\$0.90	June 11, 2017
Stock Options	250,000	\$0.15	May 15, 2017
Warrants	933,333	\$0.169	July 25, 2019

Other Requirements

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.