

EXPLOREX RESOURCES INC.

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

FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

February 13, 2018

The following Management's Discussion and Analysis ("MD&A") of the financial condition of Explorex Resources Inc. ("Explorex" or "the Company") and results of operations of the Company, should be read in conjunction with the unaudited interim financial statements including the notes thereto for the nine months ended December 31, 2017 and the audited financial statements including the notes thereto for the years ended March 31, 2017. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). The Company's accounting policies are described in Note 2 of the Audited Financial Statements. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information regarding the Company and its operations can be obtained from the office of the Company or on SEDAR at www.sedar.com.

Description of Business

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 British Columbia and Ontario, Canada. Effective June 11, 2012, the Company changed its name from Explorex Capital Ltd. to Explorex 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, listed on the Frankfurt Exchange under the symbol 1XE and listed on the US OTC Markets Group under the symbol EXPXF.

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 \$2,417,444 as at December 31, 2017, 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.

Corporate Update

In September 2017, the Company realigned the board and management, the changes to the Board and executive positions elevates the Company's expertise to deal with anticipated future needs of greater capital requirements and increased technical oversight (*see Company news release dated September 7, 2017*).

- Bill Wishart, Director and Chairman of the Board;
- Gary Schellenberg, Director and Chief Executive Officer;
- Mike Sieb, Director and President;
- Jerry Bella, Independent Director;
- Jim Mustard, Director and VP Corporate Development; and
- Shelly Jensen has tendered her resignation as a Director.

On November 01, 2017, the Company granted a total of 1,110,000 incentive stock options (the "Options") to certain of its officers, directors and consultants. The Options were granted in accordance with the terms of the Company's stock option plan. The Options are exercisable at a price of \$0.25 per common share and will expire five years from the date of granting.

Subsequent to period end, the Company has been assigned the Legal Entity Identifier (LEI) number 529900XQEJ5KBTNB4R85. The European Union has adopted regulations that require use of the LEI as a barcode equivalent aimed at pinpointing systemic risks.

On January 18, 2018, the Company appointed Elizabeth Richards, CPA, CA, as the Company's Chief Financial Officer. Elizabeth Richards was previously an audit Principal at Davidson & Company LLP where she spent over a decade focused on the exploration and development industry. While working as an audit Principal, Elizabeth specialized in reverse takeovers, prospectus and offering documents, merger/acquisition transactions, asset acquisitions and business combinations, and assisting with due diligence requirements. Elizabeth has worked on both Canadian and US listed companies and has accumulated extensive accounting experience working on TSX and TSX Venture listed companies, as well as numerous regional and international private companies. Elizabeth is a member of the Institute of Chartered Professional Accountants of British Columbia

Private Placement

On October 27, 2017, the Company completed a non-brokered private placement and issued 859,000 flow-through units (the "FT-UNITS") at a price of \$0.25 per unit for gross proceeds of \$241,750 and 4,807,500 non-flow-through units (the "NFT-UNITS") at a price of \$0.20 per unit for gross proceeds of \$961,500. Each FT-Unit will consist of one flow-through common share and one-half of a share purchase warrant. Each NFT-Unit will consist of one common share and one-half of a share purchase warrant. Each FT and NFT warrant is exercisable for one additional common share at a price of \$0.30 per share until October 27, 2018. The warrants are subject to a 10-day accelerated expiry provision if the VWAP of the Company's share exceed \$0.35 for 10 consecutive trading days. The Company paid \$8,050 cash commissions and issued 25,000 agent's warrants valued at \$3,173 exercisable at \$0.30 until October 27, 2018. The Company recognized a flow-through premium liability of \$49,950, which was accreted to \$21,265 based on exploration expenditures incurred as at December 31, 2017. Pursuant to the flow-through obligation, as at December 31, 2017, the Company is required to incur \$106,000 in eligible exploration expenditures by December 31, 2018.

Property Acquisitions

Cobalt-Paragon Property, Ontario

On October 30, 2017, the Company entered into an option agreement with Canadian Gold Miner to acquire a 100% interest certain mining claims, (“Cobalt-Paragon”), located in the Larder Lake Mining Division in Tudhope Township, in the Province of Ontario. Pursuant to the option agreement, the Company is required to make cash payments, issue shares, and meet exploration expenditure requirement as follows:

Cash Payments

• 10 business days on execution of the agreement (October 30, 2017) - Paid	\$ 10,000
• On or before April 30, 2018	25,000
• On or before October 30, 2018	20,000
• On or before October 30, 2019	30,000
• On or before October 30, 2020	40,000
	<u>40,000</u>
	<u>\$ 125,000</u>

Share Issuances

• Upon approval of the Exchange (November 1, 2017) (Issued, valued at \$51,000)	200,000
• On or before November 1, 2018	300,000
• On or before November 1, 2019	300,000
• On or before November, 2020	900,000
	<u>900,000</u>
	<u>1,700,000</u>

Exploration Expenditures

• On or before October 30, 2018	\$ 225,000
• On or before October 30, 2019	450,000
• On or before October 30, 2020	600,000
	<u>600,000</u>
	<u>\$ 1,275,000</u>

Upon earning a 100% interest, the Company will grant a 1% NSR and retain first right of refusal to buyback the NSR. The Company will commit to meeting all obligations of the underlying commitments.

Cobalt-Paragon consists of two historic mines, hosting two distinct target types: (1) Archean age volcanics, hosting NE oriented shears with multiple east-west pinch and swell veins with historic gold values on surface (Cobalt-Frontenac); and (2) Proterozoic age Nipissing Diabase sills hosting quartz - calcite veining with silver and cobalt mineralization (Paragon-Hitchcock). Historic exploration dates largely to the period from 1900 to 1920 and was focused on prospecting of identified structures followed by underground development in both cases.

Neither of the two targets have ever been investigated by modern exploration methods using current ore deposit modelling criteria nor has any drilling been done on the projects. Access is excellent from the nearby community of Elk Lake, with provincial highway access to either Kirkland Lake or New Liskeard (approximately 45 minutes driving time).

On January 22, 2018 the Company announced results from the reconnaissance exploration program at the Cobalt-Paragon Project, Ontario, completed in late 2017. The field work entailed an initial investigation of the Project consisting of ground truthing the prominent mineralization in the vicinity of the historic workings and a mobile metal ion (“MMI”) soil geochemistry survey.

The muck piles at both historic mines were sampled in order to characterize the mined material and the target mineralization. Grab samples[†] from the Paragon-Hitchcock muck pile returned up to 2.34% Cobalt and 730 g/t Silver. One grab sample from the Cobalt-Frontenac muck pile returned 7.47% Copper and 3.23 g/t Gold.

[†] *The surface rock grab samples reported above are solely designed to show the presence or absence of mineralization and to characterize the mineralization. Grab samples are by definition selective and not intended to provide nor should be construed as a representative indication of grade or mineralization at the project.*

The Company elected to perform a MMI soil survey in order to identify mineralization hidden under the glacial till in the prospective area adjacent to the Paragon-Hitchcock shaft. The soil survey consisted of 82 samples along four lines and functioned as both an orientation survey and as an exploration tool to identify extensions of the main showing or parallel features. Initial interpretation of the MMI results reveals a positive result along the known east-west mineralized trends supporting the efficacy of the survey. In addition, the survey identified a new anomalous feature trending oblique to the main mineralized structures.

As at December 31, 2017, the Company had \$93,847 of cumulative acquisition and exploration costs related to the Cobalt-Paragon Property.

Mineral Properties

The following is a breakdown of the material components of the Company’s acquisition, and deferred exploration costs for the nine months ended December 31, 2017.

	Silver Dollar Property	Arlington Property	Beatrice Property	Chrysler Property	Cobalt-Paragon Property	Total
Balance, March 31, 2017	\$ 100,301	\$ 28,414	\$ -	\$ -	\$ -	\$ 128,715
Acquisition Costs						
Addition during the period	48,000	-	12,000	64,500	61,000	185,500
	48,000	-	12,000	64,500	61,000	185,500
Exploration Costs						
Assay	-	-	-	1,652	2,584	4,236
Equipment, field supplies,	13,528	81	-	-	-	13,609
Field personnel	7,108	-	-	-	-	7,108
Geological	31,984	-	3,500	18,724	23,033	77,241
Travel	2,909	-	-	4,622	7,230	14,761
	55,529	81	3,500	24,998	32,847	116,955
Option payment received	-	(10,000)	-	-	-	(10,000)
Balance, December 31, 2017	\$ 203,830	\$ 18,495	\$ 15,500	\$ 89,498	\$ 93,847	\$ 421,170

Arlington Property, British Columbia

On January 19, 2015, the Company acquired 100% interest by staking in and to the Arlington property, located in the historic Beaverdell 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.

On April 27, 2017, the Company entered into an option agreement with Clarmin Exploration Inc. (“Clarmin”), under which Clarmin may acquire a 100% interest in the Company’s Arlington Property by making certain staged payments over a three year period equal to a total of \$105,000 in cash, 500,000 common shares and incurring \$500,000 in exploration expenditures on the property.

Cash and Share Payments:

- \$10,000 on April 27, 2017 (received);
- \$10,000 on the date of listing of Clarmin on a recognized stock exchange (received);
- \$35,000 and issuing 200,000 common shares on or before April 27, 2019; and
- \$50,000 and issuing 300,000 common shares on or before April 27, 2020.

Exploration Expenditures:

- \$200,000 on or before April 27, 2019; and
- \$300,000 on or before the third anniversary date of April 27, 2020.

The Company will retain a 1.5% NSR on the property which Clarmin may buyback by paying \$1,000,000 to the Company.

The Arlington property covers 586.46 hectares, is road accessible and is centered 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.

Two thousand seventeen field work included the establishment of two separate grids totalling 30.9 line kilometres covering 304.4 hectares. A soil geochemical survey resulting in the collection of 657 B horizon soil samples highlighted numerous single and multi-line Cu-Ag soil anomalies. Magnetic and VLF-EM (very low-frequency electromagnetic) geophysical surveys were completed over the two grids totalling 26.4 line kilometres of surveying. The VLF-EM survey identified several east-west-to-northeast-southwest-trending conductive responses which are closely associated with known zones of mineralization. Prospecting resulted in the location of 11 new historical work sites characterized by overgrown and sloughed in trenches, pits, adits and shafts. A total of 44 rock grab samples (1) from the various sites returned elevated and anomalous results up to 211.0 ppm Ag, 6.8 ppm Au, 3.22 per cent Cu, 1,795 ppm Mo, 2,538 ppm Pb and 9,268 ppm Zn (National Instrument 43-101 technical report, Clarmin Explorations Inc., dated Nov. 29, 2017).

As at December 31, 2017, the Company had \$18,495 of cumulative acquisition and exploration costs related to the Arlington property project.

Silver Dollar Property, British Columbia

On May 11, 2016, the Company 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. The large, linear property has been divided for ease of reference into three map areas: the southern portion referred to as Gilman, Mohawk (central) and Goldfinch (northern).

In order to earn 100% interest in the Silver Dollar property, 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);
- incur a minimum \$100,000 work commitment by November 11, 2016;
- issue 300,000 common shares of the Company by December 1, 2016
- issue 300,000 common shares of the Company by November 11, 2017; and
- issue 1,000,000 common shares of the Company by May 11, 2018.

On November 23, 2016, the parties amended the terms of the agreement to the following:

- incur a minimum \$100,000 work commitment by May 11, 2017;
- issue 300,000 common shares of the Company by June 9, 2017;
- issue 300,000 common shares of the Company by May 11, 2018; and
- issue 300,000 common shares of the Company by November 11, 2018.

The agreement is subject to a 1% NSR payable to Happy Creek.

On April 11, 2017, the Company further amended the terms of the option agreement with Happy Creek on the Silver Dollar property as follows:

- incur a minimum \$100,000 work commitment by July 31, 2017 (completed);
- issue 300,000 common shares of the Company on or before May 11, 2017 (issued, valued at \$48,000);
- issue 300,000 common shares of the Company by July 31, 2018; and
- issue 500,000 common shares of the Company by January 31, 2019.

Silver Dollar field program summary:

A field crew completed a 19-line-kilometre soil geochemistry survey in October 2017, within the southern portion of the Silver Dollar property, referred to as the Gilman area. The purpose of the survey was to extend the base and precious metal signature in soil from the Silver Dollar occurrence southward through the Beatrice mine site and Rainy Day occurrence, a distance of 2.3 km.

The soil survey revealed a well-defined silver, lead, zinc and antimony anomaly measuring 1.4 km in length with widths up to 350 metres wide extending from the Beatrice mine to the south of the Rainy Day occurrence. The multielement soil anomaly extended the known anomalous zone by 450 m and remains open to the southeast.

The Silver Dollar is a past Ag-Pb-Zn producer with reported production in 1947 of six tonnes of ore that recovered 9,860 g Ag, 1,378 kilograms Pb and 1,009 kg Zn. Subsequent historical drilling on and in the vicinity of the Silver Dollar vein was constrained to relatively shallow depths and the mineralized zones, where delineated, remain open to depth. Of note, the drilling also intersected mineralized zones that do not outcrop on surface indicating the potential that blind or hidden mineralized zones also occur.

As at December 31, 2017, the Company had \$203,830 of cumulative acquisition and exploration costs related to the Silver Dollar Property.

Beatrice Mineral Property, British Columbia

On August 27, 2017, the Company entered into a purchase and sale agreement with arm's length vendors to acquire 100% of 2 crown grants that host the Beatrice Mine from private owners. The crown grants are wholly contained within the southern portion of the Silver Dollar Project (referred to as the Gilman portion). Pursuant to the agreement, the vendors agreed to sell and the Company agreed to purchase two mineral tenure claims located in the southern portion of the Silver Dollar Project for a cash payment of \$12,000 (paid).

. . . . The Beatrice mine is a past Ag-Pb-Zn producer that was worked continuously from 1898 to 1906 and intermittently to 1964. Between 1899 and 1917, 618 tonnes of hand-sorted ore were shipped from the property yielding 558 g Au, 1,832 kg Ag, 182,930 kg Pb and 10,894 kg Zn. Underground workings by 1920 included several hundred metres of drifting, crosscuts and raises on three levels.

The mineralization at Beatrice consists of base plus precious metal veins of variable size up to a few metres wide hosted in shear zones, on bedding plane slips and crosscutting faults. A total of 10 grab samples† were collected from the Beatrice mine site during the recent field program. A composite grab sample from a large open cut above the Beatrice upper adit returned anomalous results of 0.24 per cent Pb, 3.53 per cent Zn, 152 g/t Ag and 1.45 g/t Au while a grab sample from a muck pile near the Beatrice upper adit returned 17.72 per cent Pb, 18.91 per cent Zn, 1,991 g/t Ag and 4,003.44 ppm Sb.

† *The surface rock grab samples reported above are solely designed to show the presence or absence of mineralization and to characterize the mineralization. Grab samples are by definition selective and not intended to provide nor should be construed as a representative indication of grade or mineralization at the project.*

As at December 31, 2017, the Company had \$15,500 of cumulative acquisition and exploration costs related to the Beatrice Property.

Chrysler Property, Ontario

On June 6, 2017, the Company entered into a purchase and sale agreement with Jean Marc Gaudreau and Don Thomas Fudge to purchase a 100% interest in certain mining claims, (the "Chrysler Property"), located in the Larder Lake Mining Division in Ogilvie, Leonard and North William Township, in the Province of Ontario.

To earn a 100% interest, the Company is required to make the following payments:

- \$22,500 cash (paid);
- issue 200,000 common shares of the Company. (issued, valued at \$42,000)

The agreement is subject to a 2% net smelter return royalty ("NSR") payable to the vendors and a buyback of 1% for \$1 million at any time.

The Property, totaling 11 claims (91 units), encompasses approximately 3,600 acres that were staked by the property vendors based on favorable geology and nearby known mineral occurrences. Access to the area is provided via a series of existing interconnected forestry roads that tie into provincial highway 560, 20 km to the west of the community of Shining Tree, which is approximately 130 km west of Cobalt, Ontario.

This Property is considered to be prospective for cobalt and silver as the geological setting is similar to that of the Cobalt mining district which is known for its past producing high grade silver and cobalt mines.

As at December 31, 2017, the Company had \$89,498 of cumulative acquisition and exploration costs related to the Chrysler Property.

Ganfeng Lithium Co., Ltd.

On October 4, 2017, the Company entered into a letter of Intent (“LOI”) with Ganfeng Lithium Co. Ltd. (“Ganfeng”) for a \$1 million strategic investment in the Company in two tranches. The initial investment of \$0.5 million (“Initial Investment”) and a commitment to invest an additional \$0.5 million in a subsequent financing, within two years from the execution of the Initial Investment, in accordance with market conditions.

The LOI provides Ganfeng with (i) the right to an Off-Take Agreement on all potential production of cobalt, limestone and lithium; (ii) a Right of First Offer on the joint venture or sale of all cobalt, limestone, and lithium properties that the Company has or acquires in the future; and (iii) the right to nominate one member to the Company Board of Directors (“Purchaser Rights”). These Purchaser Rights will be maintained as long as Ganfeng maintains a minimum 15% equity interest in the issued and outstanding shares of the Company.

Results of Operations

<u>For the period ended December 31,</u>	2017	2016
	\$	\$
Financial results:		
Net loss for the period	(762,934)	(246,979)
Basic and diluted loss per share	(0.07)	(0.04)
Statement of financial position date:		
Cash	602,410	112,026
Total assets	1,052,516	248,728
Shareholders’ equity (deficiency)	894,387	186,207

Net Gain/Loss and Operating Expenses

For the nine months ended December 31, 2017, the Company reported a loss of \$762,934 (2016 - \$246,979). The Company’s loss per share was \$0.07 (2016 - \$0.04). The increase is due to the increased in overall expenses.

General Administrative Expenses

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Advertising and promotion	21,300	6,000	33,300	19,775
Consulting	126,394	23,539	297,388	50,539
General office	16,761	3,557	32,795	30,434
Management and director fees	64,500	22,500	109,500	60,000
Professional fees	6,251	1,813	25,044	17,524
Property investigation	24,569	-	24,569	-
Rent	5,850	5,850	17,550	17,150
Stock-based payment	230,490	-	230,490	49,423
Transfer agent and filing fees	4,447	4,270	15,254	12,725
Travel and entertainment	1,758	1,576	3,980	2,892
	<u>502,230</u>	<u>69,105</u>	<u>789,870</u>	<u>260,462</u>

Three Month Period Ending December 31, 2017

During the three months ended December 31, 2017, the Company reported a loss of \$502,230 (2016 - \$69,105). The Company's loss per share was \$0.03 (2016 - \$0.01). The loss for the period ended December 31, 2017 was mainly due to the following:

- Advertising, investor relations and promotion \$21,300 (2016-\$6,000). Amounts included in advertising, investor relation and promotion are monthly investor relations fees, print and internet advertising costs and web site.
- Consulting fees of \$126,394 (2016 - \$23,539) were incurred in relation to strategic financing, marketing and project evaluation.
- Management and director fees of \$64,500 (2016 - \$22,500) were paid to a Company controlled by a Director and Chairman of the Board, 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 \$6,251 (2016 - \$1,813) were incurred in relation to legal, audit and accounting services.
- General office expenses of \$16,761 (2016-\$3,557) comprised of administration, bank charges and interest expenses, telephone, shareholder costs and office supplies.
- Stock-based payment of \$230,490 (2016 - \$Nil) relate to the issuance of 1,110,000 stock options in the three month period vs. no stock options issued in December 31, 2016.

Summary of Quarterly Reports

Results for the most recent quarters ending with the last quarter for the period ended December 31, 2017:

	Three Months Ended			
	December 31, 2017 \$	September 30, 2017 \$	June 30, 2017 \$	March 31, 2017 \$
Interest income	Nil	Nil	Nil	Nil
Net loss	(475,384)	(180,744)	(106,806)	(80,405)
Basic and diluted per share	(0.03)	(0.02)	(0.01)	(0.01)

	Three Months Ended			
	December 31, 2016 \$	September 30, 2016 \$	June 30, 2016 \$	March 31, 2016 \$
Interest income	Nil	Nil	Nil	Nil
Net loss	(61,584)	(120,213)	(65,179)	(71,513)
Basic and diluted per share	(0.01)	(0.02)	(0.02)	(0.02)

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

Related Party Transactions

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the period ended December 31, 2017, the Company entered into the following transactions with related parties:

- Paid or accrued exploration costs of \$116,956 (2016 - \$67,950) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued consulting fees of \$Nil (2016 - \$15,000) and management fees of \$22,500 (2016 – Nil) to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued management fees of \$12,000 (2016 - \$Nil) to director of the Company.
- Paid or accrued consulting fees of \$41,600 (2016 - \$15,000) to a director of the Company.
- Paid or accrued rent of \$17,550 (2016 - \$17,150) and management fees of \$67,500 (2016 - \$60,000) to a company controlled by a director and Chairman of the Board of the Company.
- Paid or accrued professional fees of \$7,500 (2016 - \$4,550) to the former Chief Financial Officer of the Company.
- Paid or accrued director’s fees of \$7,500 (2016 – \$Nil) to a company controlled by a director of the Company.
- Remuneration attributed to key management personnel and directors including stock-based compensation of \$134,972 (2016 – \$34,064).

Accounts payable to related parties are as follows:

	December 31, 2017	March 31, 2016
An entity controlled by a director and Chairman of the Board	\$ 8,787	\$ -
An entity controlled by a director and Chief Executive Officer	94,225	-
An entity controlled by a director	2,625	32,825
To a director	2,625	-
To the former Chief Financial Officer	1,500	-
	\$ 109,705	\$ 32,825

Commitments – Consulting Agreements

On September 1, 2016, the Company renewed the terms of a consulting agreement with a director of the Company for the provision of consulting services at an annual cost of \$90,000. The agreement is for a term of five years. If the Company terminates the agreement without cause during the term the Company is required to pay the balance of the monthly fee payments due for the remainder of the term. Furthermore, 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 completed after the first year of engagement, up to a combined maximum of forty-eight months of management fees.

Liquidity and Capital Resources

	December 31 2017 \$	March 31, 2017 \$
Working capital (deficiency)	473,217	(25,134)
Deficit	2,417,444	1,654,510
Cash	602,410	22,029
Current assets	631,346	28,491
Current liabilities	158,129	53,625
Shareholders' equity (deficiency)	894,387	103,581

The Company does not have any commitments for material capital expenditures and none are presently contemplated other than normal operating requirements and as disclosed above. 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, for any particular period, or if available, that it can be obtained on terms satisfactory to the Company.

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	December 31, 2017 \$	December 31, 2016 \$
Cash used in operating activities	(567,739)	(248,854)
Cash used in investing activities	(77,080)	(87,950)
Cash provided by financing activities	1,225,200	446,750
Change in cash	580,381	109,946

During the period ended December 31, 2017:

- The Company had cash of \$602,410 as of December 31, 2017, compared to \$22,029 as of March 31, 2017;
- The Company has received \$57,000 from exercise of stock options; and
- The Company has received \$1,176,250 from issuance of shares and paid out \$8,050 in share issuance costs, relating to the October 27, 2017 private placement.

Off Balance Sheet Agreements

The Company has not engaged in any off-balance sheet arrangements in the three-month period ended December 31, 2017.

Critical Accounting Policies and Estimates

The details of the Company's accounting policies are presented in Note 2 of the interim financial statements ended December 31, 2017.

Changes in Accounting Policies

In preparing these interim financial statements as at December 31, 2017, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended March 31, 2017.

Capital Management

Capital is comprised of the Company's shareholders' equity (deficiency). As at December 31, 2017, the Company's shareholders' equity was \$894,387. 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 period ended December 31, 2017.

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; and

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 December 31, 2017, the Company had a cash balance of \$602,410 to settle current liabilities of \$158,129.

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

There are no significant changes relating to the risk factors since the filing of the annual MD&A of March 31, 2017.

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. Forward looking 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.

Subsequent Events

Subsequent to the period end the Company issued 50,000 shares in relation to the exercise of stock options for proceeds of \$6,500.

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.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company’s website at www.explorex.ca
- (c) In the Company’s annual audited financial statements for the year ended March 31, 2017.

Outstanding Shares

	Number	Exercise Price	Expiry Date
Common Shares (February 13, 2018)	16,017,197	n/a	n/a
Stock Options	350,000	\$0.13	September 29, 2021
Stock Options	1,110,000	\$0.25	November 2, 2022
Warrants	933,333	\$0.169	July 25, 2019
Warrants	2,853,250	\$0.30	October 27, 2018