This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of the operations of Emerita Resources Corp. (individually or collectively with its subsidiaries, as applicable, "Emerita" or the "Company"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the three and six months ended March 31, 2015 and 2014. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the periods ended March 31, 2015 and 2014.

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. Please refer to Note 2 of the annual audited consolidated financial statements as at and for the years ended September 30, 2014 and 2013 for disclosure of the Company's significant accounting policies.

Additional information about the Company may be found on SEDAR at www.sedar.com or the Company web site at www.emeritaresources.com.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of May 28, 2015.

The scientific and technical contents of this MD&A have been reviewed and approved by Mr. Joaquin Merino-Marquez, P.Geo., President and CEO of the Company and a Qualified Person under National Instrument 43-101. As the President and CEO of the Company, Mr. Merino-Marquez is not considered independent.

Overview and Strategy

Emerita is a mineral exploration company currently engaged in the acquisition and exploration of mineral properties in Spain through its wholly-owned Spanish subsidiary, Emerita Resources Espana SL (formerly Lorica Gold, Sociedad Limitada) ("Emerita Espana"). The Company currently has two gold exploration properties in Spain, which are described in detail below under the section entitled, "Mineral Exploration Properties – Spain". The Company continues to review project submissions and data from various sources within the Iberian Peninsula with a view to identifying opportunities that could create value for its shareholders.

Aznalcóllar Tender

On December 16, 2014, the Company submitted a detailed technical proposal, which was the final requirement for the final stage of the public tender process.

The Aznalcóllar Project is a past producing property within the famous Iberian Pyrite Belt that hosted the Aznalcóllar and Los Frailes open pit zinc-lead-silver mines. The focus of the project is re-development of the Los Frailes deposit which was developed in the mid 1990s. The historical open pit mineral resource as calculated by the previous operator of the mine was estimated to be 71 million tonnes grading 3.86% zinc, 2.18% lead, 0.34% copper and 60 ppm silver.

On February 23, 2015 the panel evaluating the bids for the Aznalcollar Project on behalf of the Junta of Andalusia recommended that the tender be granted to the Company's competitor in the bidding process. On February 26, 2015, the Head of the Mine Department of the Junta Andalusia confirmed that the tender process had been concluded and formally granted the tender to the Company's competitor.

Given the strength of its proposal, the Company has initiated an appeal to the tender process and intends on continuing discussions with the responsible officials. The Company submitted the appeal on February 27, 2015 which was accepted by a Seville court judge on March 2, 2015. The UDEF (Unidad de Delitos Economicos y Financieros), which is the Spanish police unit of economic and financial crimes, has initiated an investigation relating to various irregularities, including allegations of bribery and corruption with respect to the tender process. As a result of this initial investigate the judge of a Seville court has determined reasonable evidence to conduct further investigations into the tender process and has requested that the investigation continue. The Company anticipates that an update with respect to the status of the police investigation will be made available during the month of June. Parties subject to the judicial order are granted the right to appeal upon three days notice to the court.

Mineral Exploration Properties – Spain

The Company has interests in three gold exploration properties. Among the three properties, two being Las Morras and Peña Encina are located in the Extremadura region, Spain, and one being Sierra Alta is located in the Asturias region in northwestern Spain. Each of the properties is comprised of exploration permits that were issued by the Extremadura regulatory authorities and the Asturian regulatory authorities respectively.

Las Morras Property – Description

The original permit for the Las Morras Property is comprised of six original exploration permits. The permit for Las Morras expired on April 17, 2015 but is renewable for an additional three year term. The Company has applied for an additional three year term and is waiting for formal notification of the renewal application being granted. This Property is located in the eastern part of the Badajoz Province. On February 19, 2014, the Company received notice from the Extremadura Regional authorities that five additional permits in the Las Morras Project area in the Extremadura Region have been granted to the Company. Once final notice is published in the regional and national gazette, the Company will have three years in which to work the claims in the areas prior to applying for renewal. The additional permits cover areas of Matillas, La Macheula, El Alandre, Matajarda and Garbayuels.

Las Morras Property – Exploration

The company carried out a geochemical exploration campaign in November and December 2015, consisting of 731 meters of trenching and a total of 95 samples.

The goal of this program was to attempt to better understand the relationship between phases of quartz veining and gold, and to test geophysical anomalies. Quartz veining of at least two phases can be seen in these trenches. An early phase of veining trending in a W-E direction, along foliation, could be the first phase of veining. It presents many boudins and is well foliated (augened). The other main trend, that is likely younger, but maybe not the youngest phase of quartz veining is trending to a NE-SW direction (070). These veins can be quite large, but remain weakly deformed compared to the early W-E phase.

Both of these phases have well foliated conjugate sets of minor veinlets. There appears to also be a very late set of fracture filling veins that trend in all directions, crossing lithologies with knife edge contacts. These major sets of veins were opened by trenching over a 20m width and 34m long, in a large zone of carbonate alteration with Fe, so intense to make rocks soft as soap. All phases and sets were sampled. The results showed weak gold anomalies that correlated very well with moderate arsenic anomalies

Las Morras Property – Outlook

Conditional on financing, the Company will continue with a moderate exploration program on its 100% owned Las Morras property. As the result of the previous geochemical and geophysical exploration campaigns, two areas have been prioritized in the Las Morras property, the Central zone, which contains two target areas, and the Northwestern zone, which contains one target area.

The size of these targets are well over 1,100 m long by 90 m wide, oriented E-W. In order to expose the bedrock underneath of the regolith, the company is planning to excavate a series of trenches.

The Company also intends to extend the exploration of the Las Morras Project into the new exploration permits (Manchuela, El Alandre, Mataqjarda, Las Matillas and Garbayuela). These new exploration permits surround the Las Morras exploration permit. As in the Las Morras exploration permit, abundant gold nuggets have been recognized along with evidence of historical workings attributed to the Romans. The exploration work will consist of detailed field mapping and soil/rock sampling.

Peña Encina Property – Description and Outlook

The Peña Encina Property is comprised of one exploration permit that expired on April 18, 2015 but is renewable for an additional three year term. This Property is located in La Codesera District in Spain. The Company has not applied for a renewal of this property and for this reason has written down the full value of the property as at March 31, 2015.

Sierra Alta Property – Description and Outlook

The Sierra Alta property is comprised of one exploration permit which consists of 90 mining claims comprising 2,700 hectares in the Asturias region in northwestern Spain. At the time that the Company receives formal notice that the property has been granted, from that date the concession will have a three year term renewable for an additional three year term. As of September 30, 2014, the Company wrote off the property to $Nil given the uncertainty of the future development as a result of the formal notice of grant being outstanding.

Los Vieros Property – Description and Outlook

The Los Vieros Property is comprised of three exploration permits that will expire on September 25, 2015, November 14, 2015 and November 15, 2015 respectively but are renewable for an additional three year term. The Project was determined to have limited potential based on initial field reviews and the Company does not intend on applying for an additional three year term.

Liquidity and Capital Resources

As at March 31, 2015, the Company had working capital deficit of $594,910 (September 30, 2014 – working capital of $853,085), which included a cash balance of $29,150 (September 30, 2014 - $1,024,697), amounts receivable of $190,559(September 30, 2014 - $62,951), and prepaid expenses and advances of $78,731 (September 30, 2014 - $107,624), offset by accounts payable and accrued liabilities of $893,350 (September 30, 2014 - $342,187).

Results of Operations

During the three and six months ended March 31, 2015, the Company recorded a loss of $750,548 and $1,810,599, or $0.02 and $0.04 per share, respectively, compared with a loss of $471,516 and $788,721, or $0.01 and $0.02 per share, during the comparable three and six months ended March 31, 2014.

Expenses incurred during the three and six months ended March 31, 2015 included $114,592 and $300,105 in consulting and management fees; $22,780 and $39,714 in shareholders communications and filing fees; $nil and $47,097 in travel expense, largely related to travel to the Company's properties in Spain; $18,791 and $41,687 in office expenses for office administration services; $9,100 and $23,386 in professional fees related to the preparation and audit of the Company's financial statements. During the three and six months ended March 31, 2015, project evaluation expenses of $582,519 and $1,353,991 were incurred relating to the evaluation of possible mineral properties within Spain.

Expenses incurred during the three and six months ended March 31, 2014 included $174,713 and $336,194 in consulting and management fees; $13,948 and $23,073 in shareholders communications and filing fees; $1,100 and $2,074 share-based payment expenses related to vesting of one-fourth of options granted in August 2013; $25,156 and $68,339 in travel expense, largely related to travel to the Company's properties in Spain; $20,433 and $62,160 in office expenses due to change of management and offices; $13,948 and $23,073 in professional fees related to the preparation and audit of the Company's financial statements; and project evaluation expenses of $172,173 and $283,785 relating to the evaluation of mineral properties in Spain.

Cash flows

Three and six months ended March 31, 2015

During the three and six months ended March 31, 2015, the Company used cash of $342,303 and $1,390,045 on operating activities. Cash used in operating activities consisted mainly of new project evaluation expenses incurred on the Company's properties in Spain, and corporate general and administrative expenses.

During the three and six months ended March 31, 2015, investing activities used $296,864 and $1,635 which related to office equipment and general overhead for exploration and evaluation expenditures on the Company's properties in Spain.

There were no financing activities during the three and six months ended March 31, 2015.

Three and six months ended March 31, 2014

During the three and six months ended March 31, 2014, the Company used cash of $485,723 and 801,008 on operating activities. Cash used in operating activities consisted mainly of new project evaluation expenses incurred on the Company's properties in Spain, and corporate general and administrative expenses.

During the three and six months ended March 31, 2014, investing activities used $135,606 and $334,190 which related to office equipment and general overhead for exploration and evaluation expenditures on the Company's properties in Spain.

There were no financing activities during the three and six months ended March 31, 2014.

Off-Balance Sheet Items

As at March 31, 2015, the Company did not have any off-balance sheet items.

(in Canadian dollars, unless otherwise noted)

Select Quarterly Information

Select quarterly financial information for the most recent eight quarters is presented in the table below:

Period	Revenue [(1)] $	Operating costs $	Loss $	Loss per share $	Total assets $
Q2 – March 31, 2015	-	747,782	750,548	(0.01)	979,263
Q1 – December 31, 2014	-	1,058,198	1,060,051	(0.02)	1,640,243
Q4 – September 30, 2014	-	487,450	(584,808)	(0.01)	2,238,699
Q3 – June 30, 2014	-	358,511	(356,495)	(0.01)	1,468,103
Q2 – March 31, 2014	-	464,863	(471,516)	(0.01)	1,794,826
Q1 – December 31, 2013	-	394,930	(317,205)	(0.01)	2,258,845
Q4 – September 30, 2013 [(2)]	-	412,956	(409,557)	(0.01)	2,569,034
Q3 – June 30, 2013 [(2)]	-	233,686	(241,058)	(0.01)	2,928,079

Explanatory Notes:
1) The Company has no sales revenues.
2) The results for the periods ended March 31 through September 30, 2013 included the accounts of Fuller Capital Corp. subsequent to the closing of RTO.

Outstanding Share Data

At May 28, 2015, the Company had 59,087,829 common shares, 11,000,000 warrants and 3,560,000 stock options outstanding.

Financial Instruments

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments.

As at March 31, 2015 and 2014, the Company had no instruments to classify in the fair value hierarchy.

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*
The Company is not exposed to significant trade credit risk.

b. *Cash*
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Euro from its property interests in Spain and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at March 31, 2015 and September 30, 2014, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

March 31, 2015

	Euro	US dollars
Cash	$ 24,968	$ 1,460
Amounts receivable	171,433	-
Accounts payable and accrued liabilities	(378,034)	(28,317)
	$ (181,633)	$ (26,857)

September 30, 2014

	Euro	US dollars
Cash	$ 968,985	$ 2,065
Amounts receivable	42,445	-
Accounts payable and accrued liabilities	(117,712)	(19,600)
	$ 893,718	$ (17,535)

A 1% strengthening (weakening) of the Canadian dollar against the Euro, US dollars and British Pound would decrease (increase) net loss by approximately $250, $15 and $Nil (September 30, 2014 - $9,000, $170 and $nil) respectively.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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, 2015, the Company had a cash balance of $29,150 (September 30, 2014 - $1,024,697) to settle current liabilities of $893,350 (September 30, 2014 - $342,187).

(d) Commodity / Equity 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 prices, as it relates to gold, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended September 30, 2014. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties
- Income tax accounts

Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Euros ("EUR") and United States Dollars ("US$"). At March 31, 2015, one Canadian dollar was worth US$0.7895 (September 30, 2014– US$0.8929) and EUR 0.7341 (September 30, 2014 – EUR 0.7066). During the six months ended March 31, 2015, the average value of one Canadian dollar was US$0.8413 (March 31, 2014 – US$0.9287) and EUR 0.7104 (March 31, 2014 – EUR 0.6799).

(in Canadian dollars, unless otherwise noted)

Exploration and evaluation properties

	Las Morras Property $	Peña Encina Property $	Total $
Balance, September 30, 2014	**867,841**	**111,066**	**978,907**
Cost incurred during the year:			
Land management fees, taxes and permits	2,127	-	2,127
Labour, contract geologists, prospectors	4,614	-	4,614
Field expenses	3,167	-	3,167
Sample analysis	4,295	-	4,295
Technical reports	18,130	-	18,130
Travel, meals and accommodations	2,930	-	2,930
Vehicle and fuel	2,282	-	2,282
Property, plant and equipment reclassification	567	-	567
write off	(284,265)	(111,066)	(395,331)
Balance, March 31, 2015	**621,687**	**-**	**621,687**

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation properties and classified as a component of property, plant and equipment.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of capitalized exploration and evaluation costs at least annually. The review is based on the Company's intentions for the development of the undeveloped property. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off to operations.

The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Costs recovered in excess of the carrying amount are recognized in operations.

At March 31, 2015, the Company had exploration and evaluation properties on the statement of financial position of $621,687 (September 30, 2014 - $978,907).

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

(in Canadian dollars, unless otherwise noted)

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $300,000 (2014 - $300,000) and additional contingent payments of up to approximately $1,120,000 (2014 - $1,120,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Transactions with related parties

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated company.

As at March 31, 2015, an amount of $69,400 included in accounts payable, were owed to directors and officers of the Company (September 30, 2014 - $39,600). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms of repayment.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the six months ended March 31, 2015 and 2014, the remuneration of directors and other members of key management personnel are as follows:

	Three months ended March 31,		Six months ended March 31,	
	2015	2014	2015	2014
Short-term benefits	$ 71,543	$ 129,923	$ 133,199	$ 253,248

Risk Factors

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Company shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. Even if the Company's exploration program on one or more of the Properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Limited Operating History

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in the Properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

No Mineral Resources or Mineral Reserves

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Properties will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that any mineral resources or mineral reserves will be identified or developed. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources and mineral reserves and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Properties.

Regulatory, Permit and License Requirements
The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

With respect to the Aznalcollar tender appeal process there can be no certainty with respect to further developments of the appeal or the results of any recourse initiated by the applicable governmental entities in Spain with respect to the tender process. In addition, there can be no certainty with respect to the timing regarding any potential resolution of the tender review process, the ability of the Company to be successful with its appeal or the potential for the Company to be awarded the Aznalcollar project.

Title to Properties
Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company has advised that one of the exploration permits with respect to the Los Vieros Property, which is comprised of four exploration permits that cover an area of 23,175 hectares, has been granted to a third party and will not be granted to the Company. This permit was comprised of 8,820 hectares of the Los Vieros Property.The Company cannot give an assurance that title to some or all of the Company.'s interest in the Properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in the Properties could cause the Company to lose any rights to explore, develop and mine any minerals on the Properties without compensation for its prior expenditures relating to the Properties.

Competition
The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the Properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an Company, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Foreign Operations

The Properties are located in Spain. As such, the Company's proposed activities with respect to the Properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Spain. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares.

Litigation

The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, dispositions and strategy, development potential and timetable of the Company's exploration properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update its forward-looking information, except in accordance with applicable securities laws.

May 28, 2015.