Date: August 28, 2017

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 nine months ended June 30, 2017 and 2016. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three and nine months ended June 30, 2017 and 2016. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

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, 2016 and 2015 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 website at www.emeritaresources.com.

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 ("**NI 43-101**"). As the President and CEO of the Company, Mr. Merino-Marquez is not considered independent.

The audit committee of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three and nine months ended June 30, 2017, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

Emerita is a publicly-traded Canadian exploration and development company listed on the TSX Venture Exchange ("**TSXV**"). The Company is engaged in the acquisition, exploration and development of mineral properties with a primary focus on exploring in Spain and Brazil. Exploration in Spain is conducted through the Company's wholly-owned Spanish subsidiary, Emerita Resources Espana SL ("**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. The Company also has an option to acquire a 100% interest in the Falcon Litio MG Project in Brazil, which is described below under the section entitled, "Option Agreement- Brazil". On July 14, 2017, the Company entered into agreements to acquire the Salobro Zinc Project in Brazil.

Third Quarter Highlights

The legal proceedings related to the tender process of the Aznalcóllar Project continue to develop, as described in detail in the section entitled "Aznalcóllar Tender".

On July 14, 2017, the Company entered into agreements to acquire the rights to the Salobro Zinc project, located in the Municipality of Porteinha, Minas Gerais State, Brazil. Further details are provided in the section entitled "Salobro Zinc Project".

The Company continues to pursue the Plaza Norte Project, a high-grade zinc project with significant geological potential. The Plaza Norte Project is based in a well-known mining region in northern Spain, with target areas already identified based on historical drilling.

On June 20, 2017, the company participated in the Plaza Norte tender. Resolution of the tender is still pending. Further details are provided in the section entitled "Plaza Norte Tender".

Summary of Properties and Projects

Salobro Zinc Project

On July 14, 2017, the Company entered a definitive agreement (the "**Definitive Agreement**") with Vale S.A. ("**Vale**") and IMS Engenharia Mineral Ltda. ("**IMS**") to acquire the Salobro Zinc project (the "**Salobro Project**"). In connection with entering into the Definitive Agreement, Emerita and IMS have entered into a binding letter of intent ("**LOI**") pursuant to which Emerita has agreed to incorporate and organize a Brazilian subsidiary ("**PurchaseCo**") to formally acquire the Salobro Project from IMS. Emerita will initially own 75% of PurchaseCo with an exclusive right to acquire the remaining 25% interest of PurchaseCo from IMS at its sole option.

The Salobro Project is comprised of two (2) mining applications covering 1,209.75 hectares in the Municipality of Porteirinha, Minas Gerais State, Brazil, in an area well serviced with infrastructure including paved roads, cellular coverage, rail, water and power. The mineralization is hosted in the Riacho dos Machados group, which is described as a metasedimentary sequence of Archean or Paleoproterozoic age. The mineralization is stratabound with sphalerite and galena as the main ore minerals. The metasedimentary sequence comprises carbonates, banded iron formations and banded cherts, suggesting either a Mississippi Valley Type or Sedex depositional environment for the sulphide accumulations. The thickest intercept to date is 13.92 meters grading 10.39% zinc and 2.13% lead. The known mineralization occurs in three (3) lenses all of which remain open for expansion by further drilling.

A qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of Emerita to classify the historical estimate as a current mineral resource and Emerita is not treating the historical estimate as a current mineral resource or mineral reserve. The resource estimate is a historical estimate and should not be relied upon. A summary of the historical resource estimate can be found on the Company's website in a report entitled "Mineralizações De Zinco E Chumbo Do Depósito Salobro, Porteirinha (Mg) (2006)". According to the report, the Salobro Project deposit is estimated to contain 8.3 million tonnes grading 7.12% zinc plus lead. The database used to establish the mineral resource estimate includes 40 diamond drill holes (13,884.94 meters of drilling). All borehole collar and down hole surveys, as well as a topographic survey with contour lines spaced at five meters, were provided to Emerita from the previous operators of the Salobro Project. Historical technical reports that included specific gravity and other technical commentary have also been provided to Emerita. All assays were completed at Vale's laboratory and there is no reference to external and independent duplicate assay samples in the data base.

Emerita has engaged an independent technical consultant to complete a NI 43-101 technical report on the Salobro Project and the technical report will be filed on SEDAR in due course.

Pursuant to the Definitive Agreement, Emerita agrees to pay USD$6.5 million in cash to Vale. The cash payments will be made by Emerita over seven (7) years on the following schedule:

- US$350,000 within 30 days from the date that the request for assignment of the mining rights which comprise the Salobro Project (the "**Mining Rights**") to PurchaseCo is filed by IMS or Emerita with the DNPM, Brazil's national mining agency and subsequent to Vale withdrawing its pending claims against IMS.
- US$1,650,000 on or before the first anniversary of the Definitive Agreement;
- US$1,500,000 on or before the third anniversary of the Definitive Agreement; and
- US$3,000,000 on or before the seventh anniversary of the Definitive Agreement (collectively, the "**Consideration**").

The rights to the Salobro Project are currently subject to litigation between Vale and IMS. In connection with this Transaction, Vale will withdraw its claims pending against IMS in the Civil Court of Belo Horizonte in respect of the amounts Vale claims are owing to it in relation to IMS's previous acquisition of the Salobro Project. Such claims currently are registered as encumbrances on the Mining Rights (the "**Encumbrances**"). Emerita will pay Vale's legal fees and court costs in connection with withdrawing such claims. Vale's legal fees are R$750,000 (approximately CAD$300,000) and its court costs are estimated to be R$10,000 (approximately USD$245,000 or CAD$315,000 in total).

PurchaseCo shall hold the Salobro Project in trust for Vale until the Consideration has been fully paid by Emerita. If Emerita fails to pay any instalment of the Consideration to Vale and Emerita does not remedy this breach within 30 days, Vale may request that the Salobro Project be returned by PurchaseCo or IMS, as applicable, to Vale and Vale shall retain any portion of the Consideration it has received up until such time. Vale shall not refund any of the legal fees and court costs paid by Emerita in connection with this Transaction.

The Transaction remains subject to certain customary closing conditions, including (i) the lifting of the Encumbrances; and (ii) the approval of the Transaction by the TSX Venture Exchange.

Pursuant to the Definitive Agreement, the conditions described in (i) and (ii) are required to be satisfied within three (3) months from the execution of the Definitive Agreement. If these conditions are not satisfied within this timeframe, Vale and Emerita may agree to extend the deadline for the satisfaction of these conditions or terminate the Definitive Agreement at no additional cost to either Vale or Emerita. The acquisition of the Salobro Project is an arm's length transaction and Emerita is not paying any finder's fees in connection therewith.

As consideration for IMS transferring the rights to the Salobro Project to PurchaseCo, Emerita shall issue 1,000,000 common shares in the capital of Emerita (the "**Emerita Shares**") to IMS or its nominee on the date the DNPM approves the transfer of the Mining Rights from IMS to PurchaseCo.

Emerita has the right to acquire IMS's 25% interest in PurchaseCo, up to 48 months from the date of Definitive Agreement execution, by paying CAD$2,000,000 in cash to IMS or its nominee and issuing an additional 1,000,000 Emerita Shares to IMS or its nominee. A definitive agreement between Emerita and IMS is imminent.

Option Agreement – Brazil

In June 2016, the Company entered into a binding letter agreement (the "**Falcon Agreement**") with Falcon Metais Ltda. ("**Falcon**") pursuant to which Falcon granted to Emerita an option (the "**Option**") to acquire a 100% interest in the Falcon Litio MG Project (the "**Falcon Project**") on or before June 13, 2018 (the "**Option Expiry Date**"). The Falcon Project is adjacent to Brazil's only lithium mining operation owned by Companhia Brasileira de Lítio ("**CBL**") and the northwestern property boundary of the Falcon Project is just 500 meters from the CBL mine.

The Falcon Project is located in Minas Gerais State, Brazil, and is comprised of one exploration permit and five applications for exploration permits. The applications for exploration permits have been submitted to the Brazilian Mining Agency by Falcon and will be transferred to Emerita when the exploration permits are granted.

Pegmatite dykes similar to the mineralized dykes on the adjacent CBL property have been identified on the Falcon Project during the initial field reconnaissance of the area. Systematic mapping and sampling of the Falcon Project is ongoing. Mineralization in the area where the Falcon Project is located is associated with Neoproterozoic granitic intrusions that have deposited lithium mineralization with minor contents of rare metals such as thallium, niobium and tin mineralization in the apical aureole of these intrusions.

Mineralization is hosted by pegmatite dykes with widths varying from 5 to 30 meters and strike in excess of 1 kilometer. The mineralized pegmatite dyke system is structurally-controlled by a framework of NW and NE crosscutting faults and fractures, and locally is characterized by stockwork systems or sets of sub-paralleled sheeted-dykes. The main lithium mineral at the adjacent CBL property is spodumene with minor amounts of petalite.

CBL produces lithium concentrate with a grade of approximately 5% LiO2 that is converted in a chemical plant, also belonging to CBL, into lithium-hydroxide and lithium-carbonate.

In order to acquire the Option, Emerita issued 500,000 common shares to Falcon in June 2016, at a price per share of $0.155. An additional 500,000 common shares were issued on August 28, 2017 to keep the Option in good standing prior to its expiry. In order to exercise the Option and acquire the Falcon Project, Emerita must issue a third tranche of 500,000 common shares to Falcon on or before the Option Expiry Date. All issuances of common shares of Emerita are subject to a statutory hold period and to approval by the Exchange.

If Emerita exercises the Option and acquires the Falcon Project, Falcon will retain a transferable 2% net smelter royalty on all commercial sales from the Falcon Project. In addition, if a "mineral resource", as defined in NI 43-101, of at least 20 million tonnes with a grade of at least 1.3% LiO2 is delineated at the Falcon Project, Emerita shall either, (i) pay CAD$5 million in cash to Falcon or, by its sole discretion, (ii) issue CAD$5 million worth (to be determined on a reasonable volume weighted average price basis) of common shares to Falcon (the "**Resource Consideration**").

The Resource Consideration shall only be paid by Emerita if (i) the mineral resource is verified by a "qualified person", as such term is defined in NI 43-101, who is independent of Emerita and Falcon, and (ii) at least 50% of the mineral resource is categorized as an "indicated mineral resource" or "measured mineral resource", as defined in NI 43-101.

Pursuant to the Falcon Agreement, Falcon will hold the Falcon Project in trust for Emerita until Emerita exercises the Option and the Falcon Project is assigned and transferred to Emerita. If Emerita does not exercise the Option by the Option Expiry Date, Falcon will retain the Falcon Project.

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 for the Aznalcóllar Project.

The Aznalcóllar Project is a past producing property within the Iberian Pyrite Belt that hosted the Aznalcóllar and Los Frailes open pit zinc-lead-silver mines. The focus of the project is the 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.

The key focus of the Aznalcóllar Project would be the development of the Los Frailes deposit as an underground mining operation. The deposit thickness ranges between 30 and 90 metres. The thickest section of the ore body lies below 150 metres depth from surface. The Los Frailes and the previously mined Aznalcóllar deposits are both open for further expansion by drilling at depth, as historical drilling was primarily constrained to depths accessible by open pit mining. A review of the historical drilling data indicates the potential existence of a higher grade portion of the resource that is estimated to contain 20 million tonnes grading 6.65% zinc, 3.87% lead, 0.29% copper and 84 ppm silver. This higher grade resource has been modeled by the Company and would be the focus for the underground mining operation.

A qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of Emerita to classify the historical estimate as a current mineral resource and Emerita is not treating the historical estimate as a current mineral resource or mineral reserve. The resource estimate is a historical estimate and should not be relied upon. A summary of the historical resource estimate is available on the Government of Andalucia's website in a report prepared by the prior operator of the Aznalcóllar Project entitled "Proyecto de Explotacion Yacimiento Los Frailes, Memoria Andaluza de Piritas, Boliden- Apirsa, Octubre 1994" (Los Frailes Development Project Report, Boliden-Apirsa, October 1994) along with subsequent resource estimate updates, the latest being from 2000.

On February 23, 2015, the panel evaluating the bids for the Aznalcóllar Project on behalf of the Junta of Andalusia (the "**Panel**") recommended that the tender be granted to one of the Company's competitors 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, Minera Los Frailes SL ("**Los Frailes**").

Given the strength of its proposal, the Company 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.

In November 2015, the Court of Seville (the "**Court**") ruled that although there was not sufficient evidence to prove beyond a doubt the existence of a criminal act in connection with the Aznalcóllar tender, the evidence clearly demonstrated the existence of numerous administrative irregularities that must be resolved by the administrative courts of Seville to ensure that the Aznalcóllar Project is awarded to the rightful bidder as per well-established public tender legislation.

In October 2016, the Provincial Court of Seville (the "**Appellate Court**"), an appellate court, ruled in favour of Emerita in its appeal of the Court's decision that there was not sufficient evidence of any criminal act in the Aznalcóllar project tender process.
The appeal was heard by four judges of the Appellate Court who ruled unanimously in Emerita's favour in a 59 page judgement. The judges' decision was based on: (i) Minorbis-Grupo Mexico (a competitor bidder in the Aznalcóllar project) failing to submit the necessary documentation as required by the tender process; (ii) a failure by the Panel to consider the technical merits of the tender bids; and (iii) granting the mining rights to the Aznalcóllar project to Los Frailes, a company that did not participate in the tender process, contravened applicable laws governing public tenders in Spain.

The judges found that there was evidence of gross negligence and misconduct and indicated that there may be evidence of possible corruption and prevarication. As such, the Appellate Court ordered the criminal case to be reopened against the Panel in October 2016.

The Court has engaged the "Unidad Centro Operativo ("**UCO**") de la Guardia Civil" (Spain's national police force) to investigate the alleged cash payments made from Grupo Mexico to Minorbis and to clarify Minorbis' role in the tender process. The Direccion General de Industria, Energía y Minas (the Andalucian government agency responsible for the administration of the Aznalcóllar public tender) has been asked by the Appellate Court to submit a copy of the Panel's final resolution that awarded the tender to Los Frailes for the Appellate Court's review.

In March 2017, the Company received a written resolution from the Seventh Provincial Court of Seville, ruling against the request by Minorbis, the Panel, and the former Director of Mines of the Government of Andalucía (collectively, the "**Accused**") to dismiss the ongoing criminal case against them. The Court has reiterated that there is sufficient evidence of gross negligence and misconduct by the Accused and it is necessary to continue investigating whether criminal acts were committed, in which case under Spanish law the tender would be revoked and awarded to the next qualified bidder. The Company believes that it is the only qualified bidder in the Aznalcóllar tender process.

Following the judge's instructions, since May 2017 the UCO has been reviewing more than 120,000 emails of the people involved in the case, including high officials of the regional government of Andalusia, members of the Panel, and Minorbis' executives. It is expected the investigation will be completed in the fourth quarter of 2017.

The timing of the legal process cannot be determined at this time and whether or not this process will result in the Company ultimately winning the rights to Aznalcóllar project remains uncertain.

Plaza Norte Tender

On June 12th 2017, the Company submitted a bid to acquire exploration rights to 120 claims totaling 3,600 hectares of prospective ground for zinc under the exploration tender CRM-2/2017 launched by the regional government of Cantabria, northern Spain.

The Company is participating in the tender process through a joint venture company, Cantabrica del Zinc, of which the Company jointly owns 50% with The Aldesa Group of Companies ("Aldesa"). Details about Aldesa can be found at www.aldesa.es. Aldesa is a specialized infrastructure construction group with over 40 years of experience in the construction industry in Spain and internationally. Emerita and Aldesa formed a joint venture for the purpose of participating in the exploration and development of the Property. Under the terms of the joint venture, the parties will be equally represented on the Board and Emerita will be operator of the Board-approved exploration programs.

The Regional government of Cantabria recently made critical changes in the Regional law that regulates various land uses that were approved by the Regional parliament in April 2017. As a consequence of this amendment, mining activity is now under a solid legal framework that ensures the future of any potential mining operation in the Region. Immediately following the enactment of the new law, the government launched an exploration tender with the aim of attracting investment to the area of the Reocin mine and surrounding mining camp. The tender encompasses a total size of 460 claims totaling 13,800 hectares. This group of claims was previously controlled by Asturiana de Zinc until 2003, when the mine ceased operation and mining property was returned to the government.

The tenders will be reviewed and awarded by 5 officials, who constitute the panel. The deadline to submit the offers was June 12th, and the panel was officially formed on June 27th. The offer consists of two packages; - the first presents the administrative documentation to demonstrate the company is legally registered and complies with all the requirements to participate in a public tender, - and the second contains the technical offer.

The first package was opened on June the 27th. The Company's bid complied with all the administrative requirements. It is expected the panel will be convened shortly to open the second package, at which time the tender will be resolved and the winner of the bid announced.

The main aspects considered by the panel are the exploration investment by claim, local geological knowledge and merits of the exploration proposal, financial resources, technical capabilities and environmental considerations. Once the exploration license is granted, it will be valid for a period of three years, and can be extended for an additional three year period. The Company may then upgrade the license to an exploitation license.

Mineral Exploration Properties – Spain

The Company has interests in two gold exploration properties in Spain. The two properties are (i) Las Morras, located in the Extremadura region, Spain, and the (ii) Sierra Alta, 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 exploration permit for the Las Morras property comprised 230 claims, totaling approximately 7,000 hectares. The permit for Las Morras was granted on 2012 and expired on April 17, 2015 but was renewable for an additional three year term. The Company applied for an additional two year term and received approval of the renewal for a period of two years on August 20, 2015. A subsequent renewal for an additional period of two years was granted on January 20, 2017. This property is located in the eastern part of the Badajoz province of Spain.

Las Morras Property – Exploration

The Company carried out a geochemical exploration campaign in November and December 2014, 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 length, 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 raising the applicable funds, the Company expects to engage in a moderate exploration program on the Las Morras property. As a 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.

Sierra Alta Property – Description

The Sierra Alta property is comprised of one exploration permit which consists of 90 mining claims comprising 2,700 hectares in the "Navelgas Gold Belt" in the Asturias region of northwestern Spain. The Company applied for the permit on November, 18 2013 and received notice that the permit for the property had been granted on July 8, 2015. The concession is valid for a three year term and is renewable for equal and successive periods of three years. The permit will expire in August 2018. The Sierra Alta project is in a comparable geological environment to the El Valle-Boinas and Carles gold mines which operate 35 kilometres to the east of the project. Gold mineralization in the area typically occurs in high grade epithermal veins, skarns, and as intrusive related gold deposits. High grade gold samples in bedrock were identified by the Company during the initial property assessment, with grades of up to 10.65 g/t gold.

The area is characterized by extensive ancient Roman gold mine workings that align for over 10 kilometres along a NNE-SSW striking structure, of which the two largest historical excavations occur within the property boundary.

In July 2017, the restoration and investigation plan submitted to the local authorities was approved. This document initiates the three year period of concessions and establishes the expiry date of the permit of July 31, 2020. The concessions period can be renewed for another three year period, subject to conditions.

Sierra Alta Property – Exploration

In July 2016, the Company commenced exploration on the Sierra Alta project. The initial exploration program consists of detailed geological mapping, bedrock sampling and trenching, where required. The program is designed to identify and evaluate areas with high grade gold mineralization along more than four kilometers of strike length and prioritize the target areas for diamond drilling in a subsequent program. The initial area of focus is characterized by a high density of ancient Roman mining excavations which are distributed along a geological structure that appears to control the distribution of the mineralization.

There are two main gold geochemical anomalies within the Sierra Alta property. The anomaly in the North is approximately 3.0 kilometres long by 300 metres wide, and the one in the South is approximately 1.5 kilometres long by 200 metres wide. The current exploration campaign is focused on the Northern anomaly where there is a high concentration of ancient mining excavations.

Sierra Alta Property – Outlook

Conditional on raising the requisite funds, the Company expects to perform an expanded exploration program in the coming year.

Liquidity and Capital Resources

As at June 30, 2017, the Company had working capital deficit of $811,747 (September 30, 2016 – working capital deficit of $1,007,405), which included a cash balance of $845,747 (September 30, 2016 - $306,773), amounts receivable of $123,336 (September 30, 2016 - $114,950), and prepaid expenses and advances of $20,714 (September 30, 2016 - $53,083), offset by accounts payable and accrued liabilities of $1,801,544 (September 30, 2016 - $1,482,211).

Results of Operations

During the three and nine months ended June 30, 2017, the Company recorded a loss of $436,579 and $1,083,920, or $0.00 and $0.01 per share, respectively, compared with a loss of $382,153 and $795,274, or $0.01 and $0.01 per share, during the comparable three and nine months ended June 30, 2016.

Expenses incurred during the three and nine months ended June 30, 2017 included $179,430 and $492,315 in consulting and management fees; $15,144 and $38,711 in shareholder communications and filing fees; $21,201 and $92,130 in office and travel expenses; $11,000 and $35,748 in professional fees related to the preparation and audit of the Company's financial statements; and $9,530 and $74,555 in share-based compensation expense. During the three and nine months ended June 30, 2017, project evaluation expenses of $187,396 and $344,860 were incurred relating to the evaluation of possible mineral properties within Spain and Brazil.

Expenses incurred during the three and nine months ended June 30, 2016 included $165,316 and $351,751 in consulting and management fees; $31,700 and $49,074 in shareholder communications and filing fees; $14,527 and $39,203 in office and travel expenses; $4,112 and $17,311 in professional fees; $15,000 and $21,000 in share-based compensation; and project evaluation expenses of $157,286 and $485,083 relating to the evaluation of mineral properties in Spain.

(in Canadian dollars, unless otherwise noted)

Cash flows

Nine months ended June 30, 2017

During the nine months ended June 30, 2017, the Company used cash of $655,564 on operating activities. Cash used in operating activities consisted primarily of new project evaluation expenses incurred on the Company's properties in Spain, and corporate general and administrative expenses.

During the nine months ended June 30, 2017, the Company used cash of $37,489 on investing activities, which related to general overhead for exploration and evaluation expenditures on the Company's properties in Spain.

During the nine months ended June 30, 2017, financing activities generated $1,232,200, which consisted of the exercise of 200,000 of the Company's stock options and 12,122,000 of the Company's outstanding warrants.

Nine months ended June 30, 2016

During the nine months ended June 30, 2016, the Company used cash of $627,944 on operating activities, consisting mainly of new project evaluation expenses incurred on the Company's properties in Spain, and corporate general and administrative expenses.

During the nine months ended June 30, 2016, the Company used cash of $169,841 on investing activities, which related to office equipment and general overhead for exploration and evaluation expenditures on the Company's properties in Spain, including new project evaluation.

During the nine months ended June 30, 2016, financing activities generated $1,264,187 from the net proceeds from two separate private placements which closed on December 24, 2015 and May 20, 2016, as well as proceeds from the exercise of 680,000 of the Company's outstanding warrants,

Off-Balance Sheet Items

As at June 30, 2017, the Company had no off-balance sheet items.

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
	$	$	$	$	$
Q3- June 2017	-	423,701	(436,579)	(0.00)	2,180,500
Q2- March 2017	-	256,595	(258,918)	(0.00)	1,735,564
Q1- December 2016	-	398,023	(388,423)	(0.01)	1,426,004
Q4- September 2016	-	560,597	(725,720)	(0.01)	1,638,331
Q3- June 2016	-	387,941	(382,153)	(0.00)	1,848,105
Q2- March 2016	-	400,244	(395,964)	(0.01)	1,251,012
Q1- December 2015	-	175,237	(17,157)	(0.00)	1,489,367
Q4- September 2015	-	306,236	(320,378)	(0.00)	1,196,621

Explanatory Notes:

1) The Company has no sales revenues.

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 June 30, 2017, 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 June 30, 2017 and September 30, 2016, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

(in Canadian dollars, unless otherwise noted)

June 30, 2017

		Euro		US dollars
Cash	$	52,779	$	7,777
Accounts payable and accrued liabilities		(457,560)		(412,106)
	$	(404,781)	$	(404,330)

September 30, 2016

		Euro		US dollars
Cash	$	26,484	$	7,870
Accounts payable and accrued liabilities		(460,465)		(288,877)
	$	(433,981)	$	(281,007)

A 1% strengthening (weakening) of the Canadian dollar against the Euro and US dollar would decrease (increase) net loss by approximately $4,000 and $4,000 (September 30, 2016 - $4,500 and $3,000), 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. At June 30, 2017, the Company had a cash balance of $845,747 (September 30, 2016 - $306,773) to settle current liabilities of $1,801,544 (September 30, 2016 - $1,482,211). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(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, 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, 2016. 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

(in Canadian dollars, unless otherwise noted)

Foreign currencies

The Foreign currency translation presentation and functional currency of the Company and its subsidiary 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 June 30, 2017, one Canadian dollar was worth US$0.7706 (September 30, 2016– US$0.7624) and EUR 0.6751 (September 30, 2016 – EUR 0.6784). During the nine months ended June 30, 2017, the average value of one Canadian dollar was US$0.7496 (September 30, 2016 – US$0.7544) and EUR 0.6932 (September 30, 2016 – EUR 0.6793).

Exploration and evaluation properties

	Las Morras Property $	Brazil Lithium Project $	Total $
Balance, September 30, 2016	**1,048,384**	**77,500**	**1,125,884**
Cost incurred during the year:			
Land management fees, taxes and permits	20,103	-	20,103
Legal fees	347	-	347
Overhead - Project office Sevilla	12,989	-	12,989
Balance, June 30, 2017	**1,081,823**	**77,500**	**1,159,323**

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 or management determines that impairment is required, 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 June 30, 2017, the Company had exploration and evaluation properties on the statement of financial position of $1,159,323 (September 30, 2016 - $1,125,884).

(in Canadian dollars, unless otherwise noted)

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.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $300,000 (2016 - $300,000) and additional contingent payments of up to approximately $1,150,000 (2016 - $1,140,000) 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 condensed interim consolidated financial statements.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

The Company has been named as a defendant in a claim made by a group of companies regarding the payment of outstanding amounts owing to the group of companies relating to certain advertising services. The plaintiff is seeking payment in the amount of €208,457 (CAD $311,435). Although the ultimate outcome of this action cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, management believes this claim to be without merit.

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.

At June 30, 2017, an amount of $692,145, included in accounts payable, was owed to directors and officers of the Company (September 30, 2016 - $634,927). 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 nine months ended June 30, 2017 and 2016, the remuneration of directors and other members of key management personnel are as follows:

	Nine months ended June 30, 2017	Nine months ended June 30, 2016
Mangement fees	$ 277,784	$ 223,232
Directors fees	67,500	67,500
	$ 345,284	$ 290,732

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 investors should carefully consider when making an investment decision concerning the Company's 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 its 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 Company's properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Company's 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 its 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 Aznalcóllar 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 Aznalcóllar 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 cannot give an assurance that title to some or all of the Company's interest in its 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 its properties could cause the Company to lose any rights to explore, develop and mine any minerals on such properties without compensation for its prior expenditures relating thereto.

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 Company's 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 *Business Corporations Act* (British Columbia) ("**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 a 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 Company's properties are located in Spain and Brazil. As such, the Company's proposed activities with respect to its 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 and/or Brazil. 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 securities.

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.

Subsequent Event

In August 2017, 400,000 of the Company's outstanding warrants and 250,000 of the Company's outstanding options were exercised, generating net proceeds of $65,000.

Outstanding Share Data

As at the date of this MD&A, the Company has:

1) 96,419,829 common shares outstanding;
2) 20,644,000 warrants outstanding with expiry dates ranging between December 24, 2017 and May 27, 2018. If all the warrants are exercised, 20,644,000 shares would be issued for gross proceeds of $2,064,400.
3) 6,200,000 stock options outstanding with expiry dates ranging between November 25, 2017 and October 24, 2021. If all the options are exercised, 6,200,000 shares would be issued for gross proceeds of $610,000.

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.