

INTERNATIONAL MONTORO RESOURCES INC.

Form 51-102F1

Management's Discussion & Analysis for the 2nd Quarter ended February 29, 2016 (and containing information as April 28, 2016)

OVERVIEW

The following Management Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook for International Montoro Resources Inc. ("IMT", "Montoro" or the "Company") and should be read in conjunction with the unaudited Financial Statements for the 2nd quarter ended February 29, 2016 and comparative for February 28, 2015; as well as the Audited financial statements for the Year ended August 31, 2016 and comparative for the year ended August 31, 2015 and the related notes thereto, copies of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted. The financial information in the MD&A is derived from the Company's financial statements prepared in accordance with IFRS.

Forward-looking Statements and Information

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to International Montoro Resources Inc. ("IMT" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to IMT. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans, the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; and government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to confirm these statements to actual results.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources. This discussion may use the terms “measured resources” and “indicated resources”. The Company advises investors that while those terms are recognized and required by Canadian regulators, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

DESCRIPTION OF THE COMPANY’S BUSINESS

The Company was incorporated January 30th, 1987 under the laws of the Province of British Columbia and is listed on the TSX Venture Exchange (“TSX-V”) as a Tier 2 mining exploration Issuer. The shares of the Company trade on the TSX-V under the symbol “IMT”.

The Company is engaged in exploration and development of mineral properties, focusing on projects in British Columbia, and Ontario, Canada. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company’s ability to meet its mineral interest commitments are dependent on the Company’s ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures.

The Company’s long-term objectives will be to:

- (a) Continue exploration and development work on its existing mineral properties;
- (b) Determine if an economic mineral deposit exists on the mineral properties;
- (c) Find one or more economic mineral deposits and bring them to commercial production;
- (d) Acquire and evaluate additional complementary mineral properties to expand the Company’s portfolio; and
- (e) Deliver a return on capitalization to shareholders.

OVERALL PERFORMANCE AND MINERAL INTERESTS

1.1 Date - April 28, 2016

The following MD&A was approved by the Directors of the Company.

1.2 Mineral Interests:

The following are highlights of the progress on the various mineral projects, during the current year and in the past several years.

(a) Cup Lake/Donen Claims – Greenwood Mining Division – British Columbia

April 30, 2006, the Company, agreed to acquire a 100% interest in two uranium prospect mineral claims (the “Ballistic Mineral Claims”) located in the Greenwood Mining District of B.C.

The total consideration payable to the vendors was \$75,000 cash (paid) and 300,000 units (issued). Each unit comprises one common share and one warrant. Each warrant was exercisable into an additional common share at an exercise price of \$0.40 in the first year and \$0.50 in the second year.

On December 8, 2006 the Company announced it had entered into a second agreement to acquire a 100% interest in eight additional claims in the Cup Lake area, adjoining the Ballistic mineral claims. On The terms of the agreement include the issuance of a total of 6,000,000 common shares at prescribed intervals up to December 1, 2008; a total of \$1.0 million in total cash payments staged annually up

to December 1, 2009; and minimum exploration expenditures of \$800,000 over four years to December 1, 2010.

On July 19, 2007 the Company announced that it has received and will file on SEDAR, a **NI 43-101 Technical Report (the “Report”) dated May 31, 2007, by Dr. Peter A. Christopher, PhD., P.Eng.**, on the Cup Lake/Donen (“Cup Lake”) uranium properties, located in the Greenwood Mining Division in south-central British Columbia. The Cup Lake covers 11 claims totalling 1026.2 ha. Dr. Christopher recommends a success contingent staged evaluation program for further testing the uranium mineralization. A \$250,000 Phase 1 program containing specific work is detailed in the news release dated July 19, 2007 as filed on our website and SEDAR and in the Report.

On July 27, 2007 the TSX Venture Exchange accepted for filing documentation relating to the Purchase Agreement dated December 8, 2006 and the Company issued 2,000,000 common treasury shares (with a statutory hold period ending November 28, 2007) at an agreed price of \$0.30 per share and paid \$250,000 to the vendors as the initial agreed property payments.

On January 4, 2008 the Company issued 2,000,000 common shares (with a hold period to May 5, 2008) at an agreed price of \$0.30 per share for the first anniversary property payments. In addition \$250,000 in cash property payments was made as due.

On May 6, 2008 the Company reported that the British Columbia Government (the “B.C. Government”) had issued a **public notice dated April 24, 2008** imposing a ban on uranium exploration and development in the province of B.C. The Company is working with its advisors to assess the impact of the B.C. Government announcement in regards to compensation for damages caused. **On May 31, 2008** the Company notified the vendors of the property of initiating the force majeure clause and suspension of obligations including further cash, share payments, and exploration expenditures. In the interim, the Company will keep the claims in good standing until the Company can assess its legal recourse.

The ban has negatively impaired the property. **Consequently, the capitalized mineral property acquisition costs and expenditures of \$1,930,059 have been written down to a nominal value of \$1 effective August 31, 2008.**

On July 16, 2009 the Company filed a Statement of Claim in the Supreme Court of British Columbia alleging that the Province of British Columbia in imposing a uranium and thorium reserve under the Mineral Tenure Act on April 24, 2008, has prevented the Company from exploring for, developing, or producing uranium or thorium from the Cup Lake/Donen uranium property and that the Province of B.C. has expropriated the Company’s interest in the property. Further details of the Statement of Claim can be reviewed in the **July 21, 2009** news release as filed on SEDAR and the Company’s website as well as www.courts.gov.bc.ca Action S-095263.

Additional costs incurred of \$5,556 during the year, in keeping the claims in good standing have been written-off effective **August 31, 2009.**

On September 1, 2009 the Company reports that we have received a Statement of Defense from the Province of British Columbia regarding our action which alleges that the Province of B.C. has prevented the Company from exploring for, developing, or producing uranium or thorium from the Cup Lake/Donen uranium property and that the Province of B.C. has expropriated the Company’s interest in the property. Further details of the Statement of Defense and news release are filed on SEDAR and the Company’s website.

October 21, 2011 - Boss Power Corp. (“BPU”) has announced the material terms of a settlement with the Province of B.C. in the amount of \$30 million plus costs and disbursements in return for the surrender or transfer of the Blizzard mineral claims to the province. On October 21, 2011 Montoro

announced it is now advancing its claim against the government for the expropriation of its Cup Lake/Donen uranium claims immediately adjacent to Boss Power's Blizzard uranium property.

May 23, 2012. Montoro clarifies questions received following the BPU news release of May 18, 2012. Regarding the BPU paragraph which states; "The Company BPU has now gained the support of the Province to refer the matter of these peripheral mineral claims and all other potential claims that may exist against the collective Blizzard Uranium Properties to mediation". Montoro wishes to clarify that the Montoro-Cup Lake claims adjoining the Blizzard properties to the south are not part of the BPU-Province of British Columbia settlement of October 20, 2011.

The Company is working under the Vendor to resolve its claim for compensation from the Province of B.C. for the expropriation of the Company's interest in the Cup Lake/Donen property.

(b) Serpent River – Sault Ste. Marie Mining Division – Elliot Lake – Northern Ontario

On December 29, 2006 the Company entered into an agreement to acquire a 100% interest in ten mining claims in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario, known as the Serpent River property.

The terms of the agreement included the issuance of a total 500,000 common shares and \$500,000 in cash payments at prescribed intervals up to December 12, 2010 (completed). In addition, there is a 2.0% net smelter return relating to the acquisition. The Company may at any time purchase 1.0% of the NSR for \$1.5 million.

From **2007 to 2011**, the Company has completed the following exploration work in a number of successive programs:

- A NI 43-101 compliant Technical Report completed by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA") –**March 2007**
- Roadwork and access to drill sites – **August 2007**
- 12 hole NQ Diamond Drill program on the Pecors Channel (west side of the property), and 4 holes in the Whiskey Channel (east side) Total of 2755 meters –**September 2007 – January 2008**
- Petrographic Analysis of 21 Drill Core Samples –**December 2007**
- Engaged Geotech Ltd. and conducted an airborne "VTEM" electromagnetic survey over the entire property, in conjunction with surveying adjoining properties of Pele Mountain and Verbina Resources. The survey identified several high priority EM conductors – **February 2008**
- Re-assayed 71 pulps from 2007 drill program for a total suite of Rare Earth Elements (REE's) –**November 2009**
- 5 hole (867 meters) MTW Diamond Drill program exploring a new style of mineralization not previously drilled –**April 2010**
- Geophysical Interpretation of the southern portion of the VTEM survey –**May 2010**
- Reconnaissance program to locate several holes drill by Rio Algom (1959) near the Pecors anomaly. Several holes located, particularly drill hole PW122 drilled to a depth of 450 meters located in the southwest corner of the Pecors anomaly –**June 2011**
- Geophysical Interpretation of the northwest portion of the VTEM survey – Pecors Anomaly –a 3 Dimensional Inversion Response. Further details can be reviewed in the news release as filed on SEDAR and on the Company website –**July 13, 2011**

February 20, 2014 the Company reports recent renewed interest has been shown in the 3 upper northwest claims known as the Pecors Anomaly. Review the news release of this date on the Company website and SEDAR.

May 20, 2014. As per new regulations recently imposed by the Ontario Government, Ministry of Northern Development and Mines (“MNDM”) under the Ontario Mining Act, Montoro has now commenced communication with Aboriginal communities in the area of its Serpent River property in further preparation for a diamond drilling permit application. Montoro has sent information to the following First Nations: Serpent River First Nations; Metis Nation of Ontario; and Mississauga First Nation; outlined our intention to embark on a minimum two hole deep diamond drilling program (approx. 700-1000m each) into the centre of its Pecors Anomaly as previously described in our February 20, 2014 news release.

On September 2, 2014 the Company commissioned L.E. Reed (“Reed”) Geophysical Consultant Inc. to take a further look at the VTEM survey findings to see if there were any weak bedrock AEM anomalies associated with the Pecors Magnetic anomaly (the “Pecors Anomaly”) that may have been overlooked in the first pass. Montoro has received the Reed report titled ‘Report on a Review of Airborne EM and Magnetic Surveying.....’. The report is posted on our website – Serpent River – property page. Further details can also be reviewed in the news release and filed on SEDAR.

November 19, 2014 the Company announced receipt of the exploration permit for its Serpent River –Pecors Anomaly project.

January 19, 2015 – the Company has secured Orbit Garant Drilling Services Inc. of Val D’Or, Quebec for a minimum of 2,000 metres of NQ core drilling for the Pecors anomaly drill program. The contract will require one (1) Heliportable drill rig. Montoro has also contracted Heli Explore Inc. of Sudbury, Ontario for the transportation of equipment, supplies, drill crew and other personnel as required. Dan Patrie Exploration Ltd. of Massey, Ontario has completed the heli-pad and drill pad cutting for Pecors Hole #1.

March 27, 2015 - The Company has been informed that Orbit Garant Drilling Services Inc. of Val D’Or, Quebec arrived yesterday at Elliot Lake airport. The transporting by helicopter of the drill rig and materials about 9 km to the Pecors Anomaly drill site is underway and setup to commence drilling should be completed tomorrow.

April 20, 2015 – PDH-1 stopped at 1005m. A total of 22m of core samples have been cut, and delivered to Agat Laboratories preparation facility in Sudbury before being forwarded to Mississauga, Ontario for assaying. Upon completion of drilling demobilization from PDH-1, Lamontagne Geophysics immediately moved men and materials to set up their BH UTEM 4 downhole probe and fibre-optic logging system on the site. Further details of this system can be reviewed in the news release dated April 28, 2015 on our website.

April 22, 2015 – Drilling on PDH-2 collared approximately 650m to the northwest of PDH-1 commenced.

April 28, 2015 – The Company has delivered eight core samples to Ronacher McKenzie Geoscience in Sudbury, Ontario. Montoro has commissioned a petrographic analysis to better understand the mineralogy and petrology of the gabbro and its contained sulphide mineralization.

May 11, 2015 – The Company reported that drilling on PDH-2 continues in gabbro and is expected to reach its capacity at 1300m.

May 26, 2015 – The Company reported highly anomalous assay results from PDH-1 –‘Lending encouragement for the discovery of a massive sulphide deposit with economic tenors’. Detailed

results of the assays for 19 sampled intervals can be reviewed in the news release as disseminated and posted on the website at www.MontoroResources.com and on SEDAR.

June 29, 2015 – Further to the Company’s news release of May 26, 2015 an expanded sampling program was undertaken on PDH-1. The zone on anomalous Cu-Ni-PGE mineralization has been extended an additional 4 metres as shown in the news release. Also, a thin section analysis was carried out by the Ontario Geological Survey (“OGS”), Sudbury Mining Division office. Further testing by the OGS is being completed.

August 20, 2015 – The Company contracts Crone Geophysics to downhole probe PDH-2 to the bottom of the hole at 1317m. For further details on the 3-D Borehole Pulse EM System review the news release as disseminated and posted on the website and on SEDAR.

Ronacher McKenzie Geoscience of Sudbury, Ontario was also contracted to complete a petrographic analysis on PDH-1 to better understand the mineralogy and petrology of the gabbro and its contained sulphide mineralization. The detailed report is now posted on our website.

September 16, 2015 – The Company provided an updated on the probing of PDH-2 on the Pecors Anomaly. See the news release as disseminated on our website and filed on SEDAR.

October 20, 2015 – Results of the probing indicated that two distinct conductive anomalies were detected and modelled at a depth of about 580 to 590 metres down the hole and 975 to 1021 metres down the hole. The anomalies were between 70-75 metres from the hole.

The Company collected an additional 22 samples covering the interval from 864m to 883.7m. One sample from this interval returned anomalous results. For further details of the down hole probing and other sample results see the news release as disseminated on our website and filed on SEDAR.

The Company plans Titan MT geophysics on Pecors. Subject to financing the Company outlines three Options to move forward on the Pecors anomaly. Further details of the three options can be reviewed in the December 15, 2015 news release and filed on SEDAR or the Company website.

(c) **Chuchinka Property**, northeast of Prince George, B.C.

On January 21, 2010 the Company entered into a Property Option Agreement to acquire a 100% interest in the 1,818.6 ha (4 claims- 100 units) contiguous to and adjoining Spectrum Mining Corp’s recently reported rare earth discovery, located in the Cariboo Mining District, approximately 80 km northeast of Prince George, B.C. Further details of the discovery can be reviewed in the January 26, 2010 news release as filed on SEDAR and on the Company website at www.montororesources.com

The terms of the agreement as completed were: Total cash of \$50,000 (paid); and two tranches of 500,000 units within six months at an agreed price of \$0.05 per units (issued). Each unit comprised one common share of the Company and one share purchase warrant entitling the holder thereof to purchase one additional common share of the Company for a period of two years at a price of \$0.10 per share in the 1st year and \$0.15 per share in the 2nd year. The warrants expired at \$0.15 unexercised **February 2, 2012**.

On February 17, 2010 the Company entered into a further Property Purchase Agreement with a non-related vendor to purchase an additional 449.0 ha (1 claim – 25 units) adjoining the Chuchinka Property. The terms of the agreement were as follows:

- The Company will issue to the vendor 200,000 common shares at an agreed price of \$0.08 per share within ten days of Exchange approval (issued);
- The Company will pay the vendor the sum of \$6,250 (paid); and
- The Company granted the vendor a warrant for the right to purchase up to an aggregate of 100,000 common shares of the Company, exercisable for two years from the Exchange approval, as follows:
 - In the first year, one warrant will be required to purchase one additional common share at a price of \$0.10 per share; and
 - In the second year, two warrants will be required to purchase one additional common share exercisable at a price of \$0.15 per share.
 - The 100,000 warrants expired unexercised at \$0.15 **February 25, 2012**.

The vendor will retain a 2% NSR royalty with a 1% buyout for \$1 million.

On **March 3, 2010** the Company announced that further to the TSX Venture Exchange bulletins of February 2nd and 25th, 2010 the Company has completed the acquisition of 100% interest in five claim blocks totaling 2,268 hectares.

On June 10, 2010 the Company announced the signing of an Option Agreement (the “Agreement”) with Electric Metals Inc. (TSX-V: EMI) (“Electric Metals”) whereby EMI can earn a 75% interest in Montoro’s Chuchinka property.

Terms of the Agreement include paying Montoro \$240,000 (received \$120,000); issuing 700,000 common shares of EMI (received 250,000 shares) to Montoro; and incurring \$425,000 in exploration expenditures over three years.

On November 17, 2010 the Company announced the receipt from Electric Metals of complete airborne geophysical survey data provided by Aeroquest Surveys Ltd. flown over the Chuchinka property. The airborne survey consisted of 654 line kilometers of AeroTEM helicopter-borne, time domain electromagnetic plus radiometric surveying flown at high resolution 50 meter line spacing. The survey covered a 29.4 kilometer area and was successful in mapping the magnetic and conductive properties of the geology. Several magnetic and electromagnetic anomalies were identified within the northwest extension of the structural belt that contains the Wicheeda REE mineralization. This data will be interpreted by an independent geophysical expert in order to prioritize exploration work on these targets, and define geochemical sampling areas and prospective sites for drilling.

On **June 24, 2011** the Company announced the commencement of a 2011 work program on the property by our joint venture partner Electric Metals (“EMI”). Phase 1 exploration, geochemical sampling of soils and bedrock, together with ground-based geophysics in the form of precision magnetometer and scintillometer surveying, will be applied to identify the most prospective portions of this and other REE targets. The largest target, measuring over 4 km by 1 km, is located near the center of the property and is defined by a broad magnetic low associated with coincident anomalies. Further information is detailed in the news release and can be reviewed on our website and on SEDAR.

On **July 22, 2011** the Company was informed by EMI that they have filed a technical work/geophysical assessment report on our behalf respecting the claims. The assessment report was filed through the B.C. Ministry of Energy and Mines, Mineral Titles Branch and extends the property in good standing until November 14, 2014.

On December 5, 2012 the Company gave ‘Notice of Termination’ to Electric Metals Inc. (“EMI”) as they have failed to correct, rectify or cure any of the three events of default as set forth in our October 29, 2012 Notice of Default. The Company retains 100% interest in the property.

November 18, 2014 the Company contracted UTM Exploration Services of Smithers, B.C. to conduct a geochemical soil sampling program on a portion of its 2,268 ha Chuchinka-REE prospect. The sampling grid area approximately 1200m x 500m was chosen from the radiometric survey map created by Aeroquest and interpreted by Intrepid Geophysics in October 2010. The Company is awaiting the final report of this exploration program.

See Subsequent Events –Section 1.14 –A (vi) for additional information.

(d) Tacheeda Lake Property, northeast of Prince George, B.C.

On November 19, 2010 the Company entered into a Property Option Agreement to acquire a 100% interest in 12 claim blocks (4,654.06 ha) located northwest of the Wicheeda rare earth element discovery located in the Cariboo Mining District, northeast of Prince George, B.C. Consideration includes staged cash payments totaling \$50,000 (paid) and the issuance of 2,000,000 units in stages over one year (issued final payment of 1,000,000 units November 29, 2011; subject to a hold period from trading until March 29, 2012). Each unit is comprised of one common share and one warrant entitling the holder to purchase one additional common share at a price of \$0.15 for one year. **The remaining 1,000,000 warrants expired unexercised at \$0.15 on November 29, 2012.**

On October 3, 2011 the Company entered into an agreement to acquire an additional 11 claims – 4,278.52 hectares (the “Rocky” group) adjoining and surrounding its “Tacheeda NW” rare earth element prospects. Further details of the Rocky group can be reviewed in the news release on the Company website or as filed on SEDAR.

Terms of the Agreement to acquire 100% interest are: Cash payment of \$2,500 and issuance of 400,000 units (each unit comprised of one common share of IMT and one share purchase warrant entitling the holder to purchase one additional share of IMT for a period of two years from issuance at a price of \$0.10 in year one and \$0.15 in year two.

On October 13, 2011 the Company announced that Aeroquest has completed 989 line km of a magnetic and radiometric airborne geophysical survey over Montoro’s Tacheeda Lake prospect. The AeroMAG system is ideal for its superior ability to contour in northern BC’s rugged terrain. The tight 50 meter line spacing flown should further enhance the results.

On October 18, 2011 the Company issued 400,000 units as a property payment for the Rocky group, as per terms of the agreement above. The shares and warrants issued are subject to a hold period from trading until February 19, 2012.

On January 12, 2012 the Company announced the results of the 989 line km AeroMAG magnetic and radiometric helicopter airborne geophysical survey. The preliminary results have identified several coincident radiometric and magnetic anomalies on the property which are considered to be high priority for follow-up sampling programs. The magnetic component of the survey further defined the strong magnetic anomaly on Spectrum Mining Corp’s ground, as well as other magnetic features extending from this feature onto the Tacheeda property.

The data has been forwarded for final interpretation to assist in identifying and prioritizing rare earth element and other mineral targets for upcoming sampling, trenching and drill targets.

On May 9, 2012 the Company announced receipt of the final interpretation of the AeroMAG survey. The results, and associated interpretation have concluded that there are 4 high priority targets for ground follow-up sampling, trenching and potential drill targets. These targets are considered high-priority due to their coincident magnetic and radiometric signature which appears to mantle the highly magnetic

feature covered by mineral claims of Spectrum Mining Corp. in the center of our group of claims.

May 24, 2012 - The Company recently acquired a 100% interest in four (4) mineral claims representing 1,065.10 ha, which were located in the middle of the west side of the Tacheeda Lake claim block, as well as adjoining a portion of the property on the east side which was previously developed and quarried by B.C. Railway where some of the limestone was used for railway ballast. Diamond Limestone Ltd. proposed developing the deposit and the deposit was mapped and sampled in 1983 (Minfile 093J-019). The Company has recently received an interest in the railway ballast (limestone) and is taking steps to secure the permits in order to further develop this quarry.

The Tacheeda property now consists of 24 mineral tenures, covering an area of 21,374 acres (8,650 ha) and surrounds claims held by Spectrum Mining Corp. The Spectrum claims were believed to cover a buried carbonatite (Cominco 1986, Tacheeda Lake-ARIS report 15322).

Terms of the acquisition are:

- \$500 upon execution of the agreement (paid) and a further \$1,500 upon regulatory approval (paid);
- 300,000 common shares within ten days of regulatory approval (acceptance received & shares issued May 30, 2012 –hold period until October 1, 2012);
- 300,000 warrants to the vendor for the right to purchase up to an aggregate of 300,000 common shares of the Company, exercisable for two years at an exercise price of \$0.10 in the first year and \$0.12 in the second year (warrants issued –hold period until October 1, 2012-expired unexercised);
- A 1% NSR with the right to purchase ½% by paying the vendor \$500,000 prior to bankable feasibility.

The Company recognized and recorded an impairment of \$392,952 in the year ended August 31, 2014.

November 5, 2014 - A total of 8,933 hectares in the Tacheeda Lake claim blocks were expiring November 5, 2014. The Company retained and restaked 3 claim blocks totaling 160 hectares surrounding the claim 'Quite the Little Pit' previously development and quarried by B.C. Railway for limestone used in railway ballast.

The Company recognized and recorded a further impairment of \$8,264 in the year ended August 31, 2015 and have written down the property to a nominal value of \$1. The Company recorded an additional impairment of \$1,247 during the period ended February 29, 2016.

(e) Other Mineral Interests

The Company holds certain interests in the following properties; however they are no longer management's primary focus:

- (i) South Trend/Overtime** –Ungava, Ragland area, Quebec: Montoro holds a 1% NSR royalty (with a \$1 million buyout provision).
- (ii) Crackingstone** –Northern Mining District, Uranium City-Saskatchewan: Montoro holds a 50/50 interest with Belmont Resources Inc. in two claim blocks comprising 982 ha. **The Companies are pursuing potential joint venture partners to continue exploration on these properties.**

(iii) Triangle and Orbit Lakes –Northern Mining District, Uranium City-Saskatchewan: Montoro holds a 50/50 interest with Belmont Resources Inc. in claim blocks totaling 11,109 ha. **The Companies are pursuing potential joint venture partners to continue exploration of these properties.**

(f) Other

On September 29, 2006, December 14, 2006, September 11, 2007, January 4, 2008, July 22, 2008, March 25, 2009, February 28, 2010, November 22, 2010, and July 20, 2011 the President, Gary Musil conducted interviews on the Smartstox Online TV Talk show, an international Internet news portal on small-cap companies. The web-streamed CEO interview and corporate profile can be reviewed at www.smartstox.com/interviews/imt and also now available on iPad and iPhone, as well as on Twitter at <http://sstv/bv0Hb>. The Company compensated Smartstox.com for production of the materials.

April 6, 2015 – Gary Musil, CEO/President was invited to participate in a new TSX complimentary initiative, which they have launched. The CEO video interview conducted in Toronto at The Exchange Tower can be seen on our website at www.MontoroResources.com or the TSX website at <http://www.tmxmoney.com/en/news/csuite.html>

Annual & Special General Meeting

April 27, 2015 – Notice of the Annual General Meeting (AGM) of Shareholders of International Montoro Resources Inc. to be held on May 22, 2015; and Information Circular was delivered to shareholders.

On May 24, 2015 the Company released the results of the Annual General Meeting. At the meeting the shareholders re-elected Gary Musil, Roger Agyagos, Bruce E. Bried, and Brent Griffin for the upcoming year. All other resolutions as proposed were unanimously approved. At the Directors Meeting following; the directors re-appointed Gary Musil as President/Chief Executive Officer and Brent Griffin as Corporate Secretary/Chief Financial Officer for the upcoming year. For further information review the detailed news release on our website or as filed on www.SEDAR.com

June 9, 2015 – The TSX Venture Exchange (the “Exchange”) accepted for filing the Company’s annual renewal of its Rolling 10% Stock Option Plan (the “Plan”), which was approved by the Company’s shareholders at the Annual General Meeting that was held on May 22, 2015.

Advisory Board

April 1, 2014. The Company announced the establishment of an Advisory Board and the appointment of Thomas S. Drolet, President of Drolet and Associates Energy Services Inc. as an initial member. For further details of Mr. Drolet and his 43 year career in many phases of Energy Nuclear, Coal, Natural Gas, and Geothermal (all including commercial aspects, R&D, Engineering, Operations and Consulting), etc. review the detailed news release on our website or as filed on SEDAR.

April 27, 2015 – Montoro announces a further addition to its Advisory Board with the appointment of Everett F. Makela, P.Ge. Mr. Makela brings over 30 years of exploration experience and solid expertise to the team. Further details of his experience and qualifications can be reviewed in the news release on our website.

May 7, 2014. The Company announced a further addition to its Advisory Board in the appointment of Gregory J. Campbell from Ontario. Mr. Campbell has had a 40 year career in the geological field. Greg Campbell was granted a Hon. B.Sc. in Geology, followed by a MSc. Degree from Laurentian University in Sudbury, Ontario. For additional information on Mr. Campbell’s experience, review the detailed news release on our website or as filed on SEDAR.

Registered & Records Office

Effective April 30, 2013, Maitland & Company closed its offices as certain partners move toward retirement. The Company has moved its Registered and Records Office to Owen Bird Law Corporation, 29th Floor, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. V7X 1J5

Investor Relations

- **Effective April 1, 2014** the Company has engaged 360 Aviation Services Inc. (“360”) of Vancouver to conduct investor relations services for a nine month contract. Compensation to 360 will be \$3,500 per month for the first three months and increased to \$5,000 per month for the remainder of the contract. See the May 7, 2014 news release on our website or as filed on SEDAR for further details.
- **On July 7, 2014** the TSX Venture Exchange accepted for filing the Investor Relations Agreement dated May 1, 2014 between the Company and 360 Aviation Services Inc.
- **On January 18 & 19, 2015** the Company exhibited at the 2015 Vancouver Resource Investment Conference held in Vancouver, B.C.
- **On May 27 & 28, 2015** the Company exhibited at the Canadian Mining Expo in Timmins, Ontario
- **On August 19 & 20th** the Company exhibited at the North American Mining Exhibition (“NAME”) in Sudbury, Ontario
- **December 15, 2015-Gary Musil, CEO/President talks with Market One Media Group <http://ow.ly/VUNXu> about our recent drilling program and options moving forward.**

See Subsequent Events Section 1.14-A (vi) for further news regarding the upcoming Annual General Meeting.

1.3 Selected Annual Information

| | | Year-ended August 31, 2015 | Year-ended August 31, 2014 | Year-ended August 31, 2013 |
|----|--|---------------------------------------|---------------------------------------|---------------------------------------|
| a. | Net Sales or Total Revenues | \$Nil | \$Nil | \$Nil |
| b. | Net Income or (Loss) before Other Items | (\$431,948) | (\$382,787) | (\$139,029) |
| c. | Comprehensive Income or (Loss) in total | *(432,038) | **(\$778,978) | ***(\$327,731) |
| d. | Net Income or (Loss) per fully diluted share basis | (\$0.01) | (\$0.01) | (\$0.01) |
| e. | Total Assets | \$2,126,946 | \$1,605,866 | \$1,990,408 |
| f. | Total long-term financial Liabilities | \$Nil | \$Nil | \$Nil |
| g. | Cash dividends declared per share | N/A | N/A | N/A |

*The final quarter of the year ended August 31, 2015 recorded an impairment of exploration and evaluation assets accounting for (\$8,264) compared to (\$392,952) in the previous year ended August 31, 2014. The major increase in operating expenses for the year was related to Travel and Promotion \$181,552 compared to \$31,651 in the previous year. This was offset by a decrease in Shared-based compensation of \$41,430 in the current year, compared to \$172,772 in the previous year (a non-cash item).

**The final quarter of the year ended August 31, 2014 recorded an impairment on exploration and evaluation assets accounting for (\$392,952), and a Loss of Marketable Securities of (\$24,521).

***The final quarter of the year ended August 31, 2013 recorded an impairment on exploration and evaluation assets accounting for (\$188,583) and a Loss of Marketable Securities of (\$17,775), which was offset by a reduction of operating expenses throughout the year amounting to \$107,075.

1.4 Results of Operations up to and including the 2nd Quarter ended February 29, 2016:

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation. A significant part of the Company’s value is in Resource Property Interests relating to the Serpent River-Ontario project, followed by the Chuchinka project.

For the six months ended February 29, 2016, the Company reported in its Statement of Operations a Total comprehensive loss of (\$134,007) compared to a Total comprehensive loss of (\$168,936) for the six months ended February 28, 2015. **Total operating expenses decreased by \$36,405 (approx. 21.6% for the six months ended February 29, 2016 compared to the six months ended February 28, 2015).**

The Company has no producing properties, and consequently no sales or revenues.

Operating Expenditures for the six month period ended February 29, 2016:

Increases were in:

- **Bonus shares \$9,000 in 2016 as a result of the November 11, 2015 loan arranged for \$75,000 Cdn. and 300,000 bonus shares at a price of \$0.03 were issued on November 18, 2015 (\$Nil in 2015)**
- **Loan Interest \$14,234 accrued in 2016 (\$8,156 in 2015) as a result of the short term loan of \$50,000 USD arranged May 1, 2014. Additional interest was also accrued as the Company arranged a further short-term loan in the amount of \$75,000 CDN from a non-related party on November 11, 2015.**
- **General office operations and overhead including Rent, Telephone, and Office miscellaneous \$19,273 in 2016 (\$17,733 in 2015) due to general inflation & fewer companies sharing the office space.**

Decreases were in:

- **Amortization \$Nil in 2016 (\$49 in 2015).**
- **Bank and Interest charges \$1,173 in 2016 (\$2,918 in 2015) relating to overdue charges on certain accounts payable.**
- **Consulting fees \$Nil in 2016 (\$525 in 2015).**
- **Filing and Transfer Agent Fees \$8,510 in 2016 (\$13,438 in 2015) as a result of additional fees for private placement filings, and more transfer agent fees for share issuances relating to the private placements in the prior year’s six month period. This cost will increase in the next quarter as a result of closings of three tranches of a private placement in March and April 2016.**
- **Professional fees of \$8,375 in 2016 (\$11,881 in 2015) due to increased legal fees in preparing the loan agreement, and other related documents required for filings with the regulatory authorities in the prior year’s six month period. This cost will increase in the next quarter as indicated in the Filing and Transfer Agent Fees note.**
- **Salaries and Benefits were \$1,853 in 2016 (\$3,515 in 2015). The Company paid several months of accrued management fees to the CEO/President resulting in costs incurred for the Company portion of CPP and EI deductions.**
- **Share-based payments (Directors & Consultants) were \$Nil in 2016 (\$9,889 in 2015). A**

non-cash expense calculation of the fair value was determined on 3,450,000 options granted at \$0.05 on February 20, 2014.

- Travel and promotion \$40,113 in 2016 (\$70,832 in 2015), the largest decrease, was due to prior year's increased advertising in various publications and investor bulletins and the accrual of the investor relations fee as per the April 1, 2014 agreement. The Company shared a booth and expenses to exhibit at an Investment Conference in Toronto in September 2014; exhibited at a Resource Investment Conference in Vancouver in January 2015; exhibited at the Canadian Mining Expo in Timmins, Ontario in May 2015; and also at the North American Mining Exhibition in Sudbury, Ontario on August 19 & 20th, 2015.

Management Fees of \$30,000 in 2016 (\$30,000 in 2015) remained the same since the increase of \$500 per month on February 1, 2012. In February 2016 the agreement was renewed for an additional two years at the same monthly fee.

1.5 Summary of Quarterly Results:

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

| For the Quarterly Periods Ending on | February 29, 2016 | November 30, 2015 | August 31, 2015 | May 31, 2015 |
|---|-------------------|-------------------|-----------------|--------------|
| Total Revenues | \$Nil | \$Nil | \$Nil | \$Nil |
| Net Income (Loss) before Other Items | (\$66,036) | (\$66,493) | (\$86,335) | (\$176,677) |
| Total Comprehensive Income (Loss) per quarter | (\$66,036) | (\$67,969) | (\$86,425) | (\$176,677) |
| Basic and diluted Net (Loss) per share | (\$0.00) | (\$0.001) | (\$0.002) | (\$0.004) |

| For the Quarterly Periods Ending on | February 28, 2015 | November 30, 2014 | August 31, 2014 | May 31, 2014 |
|---|-------------------|-------------------|-----------------|--------------|
| Total Revenues | \$Nil | \$Nil | \$Nil | \$Nil |
| Net Income (Loss) before Other Items | (\$98,631) | (\$70,305) | (\$82,099) | (\$86,732) |
| Total Comprehensive Income (Loss) per quarter | (\$98,631) | (\$70,305) | (\$472,801) | (\$86,762) |
| Basic and diluted Net (Loss) per share | (\$0.002) | (\$0.001) | (\$0.004) | (\$0.000) |

May 31, 2014 - the major increase is as a result of share-based payments (a non-cash item) which amounted to \$35,164. As well filing and transfer agent fees increased by \$4,606 over the previous year as a result of increased filings and transfer agent transaction. In addition promotion and advertising increased \$7,888 compared to the May 31, 2013 quarter.

August 31, 2014 – the major increase is a result of \$19,326 relating to promotion and advertising including the accrual of the investor relations contract account for \$13,500. Share-based payment (a non-cash item) accounted for \$5,886. Professional fees were \$17,075. Total comprehensive losses increased as a result of (\$392,952) in impairments on exploration and evaluation assets.

November 30, 2014- the major increase is a result of \$27,567 relating to promotion and advertising including the accrual of the investor relations contract account of \$13,500. Share-based payment (a non-cash item) accounted for \$5,886. Filing and transfer agent fees also increased by \$5,063.

February 28, 2015- the major decreases (a non-cash item) of \$121,719 relate to Share-based payments; and \$24,475 in Consulting fees. This was offset by an increase of \$41,511 in Travel and promotion over the comparative 2014 quarter.

May 31, 2015 – the major increases were in Travel and promotion \$78,080 in the quarter; and \$13,125 in Consulting fees. Also Loan Interest increased by \$2,536 compared to the previous 2014 quarter.

August 31, 2015 – the major increase again was in Travel and promotion; however these were offset by a major decrease in Share-based compensation (a non-cash item).

November 30, 2015- the major increases in the quarter were in Rent \$7,050 (\$5,850 in 2014); Loan Interest of \$5,765 (\$4,078 in 2014), plus Loan Bonus Shares expense of \$9,000 (\$Nil in 2015); offset by decreases in Travel & Promotion \$21,663 (\$27,567 in 2015); and Share-based expenses \$Nil (\$5,886 in 2014).

February 29, 2016 – the major decreases in the quarter were in Travel & Promotion -\$18,451 (\$43,265 in 2015); and Share-based payments \$Nil (\$4,003 in 2015). These decreases were offset by Loan Interest expense of \$8,469 (\$4,078 in 2015).

1.6 Liquidity:

At August 31, 2015, the Company had a working capital deficiency of (\$644,268). At **February 29, 2016** the Company had a working capital deficiency of (\$781,080). It has increased as a result of additional exploration expenditures (drilling expenditures) being incurred on the Pecors Anomaly, which was drilled 300m + over the original budget in 2015. It should be noted that a considerable amount of the liabilities are due to related parties (\$277,496 owing to the CEO/President as accrued salary and expenses; and \$41,574 to a Company with directors and officers in common). The amounts are non- interest bearing.

On May 1, 2014 the Company arranged a short-term loan in the amount of \$50,000 US (\$54,375 Cdn.) from an unrelated third party. The loan bears interest at 2.5% per month. In consideration for the loan, the Company has agreed, subject to regulatory approval, to grant bonus shares in the aggregate of 105,000 shares at a deemed price of \$0.05. On May 30, 2014 the TSX Venture Exchange accepted for filing the Company's proposal and share issuance.

On November 11, 2015 the Company arranged a short-term loan in the amount of \$75,000 CDN from a non-related party. The loan bears interest of 18% per annum, compounded quarterly, calculated not in advance. The loan is for a term of one year, after which it will be repayable on demand. In consideration for the loan, the Company issued an aggregate of 300,000 bonus shares on November 18, 2015. The shares are subject to a hold period from trading until March 19, 2016.

The Company has minimum working capital to continue administrative operations, and will continue to raise financing in order to provide care and maintenance on its mineral properties and further financing if available to continue developing its mineral properties. The Company also continues to search for joint venture partners in order to develop some of its mineral prospects (**See Cracklingstone/Orbit Lake, Serpent River (Uranium and Rare Earth Elements claims) and Chuchinka/Tacheeda Lake Properties – previous Section 1.2 Mineral Interests**).

1.7 Capital Resources:

The Company's sources of funds are derived from: (i) private placement financings (flow through and non-flow through); (ii) shareholders loans; and (iii) disposition of a portion or all of its mineral prospects. There can be no assurance, however, that the Company will be able to obtain required financing in the future on acceptable terms.

Financings and Share Issuances/Transactions:

(i) During the first quarter ended November 30, 2015 the Company issued:

-September 16, 2015 – The Company issued 20,000 common shares for \$1,000 cash as a result of stock options being exercised at \$0.05 per share.

- November 18, 2015 – The TSX Venture Exchange accepted for filing documentation with respect to the \$75,000 CDN loan from a non-related party, and the issuance of 300,000 bonus shares at a deemed price of \$0.05.

(ii) During the second quarter ended February 29, 2016:

- **No shares were issued.**
- **December 21, 2015-** The Company announced that it was making an application to the TSX Venture Exchange to amend the exercise price of certain warrants issued. The private placements which these warrants relate to closed in three tranches: February 18, 2015; April 10, 2015; and April 21, 2015. These warrants have an expiry date of February 18, 2017; April 10, 2017; and April 21, 2017 with an exercise price of \$0.10 in the first year and \$0.14 in the second year. The Company was seeking approval to amend the exercise price to \$0.07. All other terms of the warrant would remain the same. Insiders hold an aggregate of 100,000 of the 7,792,000 warrants.
- **December 24, 2015-** The Company received TSX Venture Exchange acceptance for filing the amendments for a total of 7,792,000 warrants.
- **January 22, 2016-** The Company made an application to the Exchange for a waiver to the private placement price as the proposed subscription price is below the minimum allowed pursuant to the rules.

The Company proposed to proceed with a working capital financing of up to \$360,000 with 12.0 million units to be issued at \$0.03. Each unit will comprise of one common share and one transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional share at a price of \$0.06 in the first year and at \$0.10 in the second year after closing.

The common shares and warrants are subject to a statutory hold period and the financing is subject to Exchange acceptance. For use of proceeds and further details, you can review the news release on our website and as filed on SEDAR.

See Subsequent Events Section 1.14-A (i)

Cash balances decreased by \$12,739 during the six months ended February 29, 2016 and increased by \$64,422 during the comparative six months ended February 28, 2015.

During the six months ended February 29, 2016, net cash used in operating activities was \$99,160 compared to a net used in operating activities was \$222,017 during the six months ended February 28, 2015.

Net cash used in investing activities during the six months ended February 29, 2016 was \$32,421 compared with cash used in investing activities of \$28,976 during the six months ended February 28, 2015.

Cash provided from financing activities including increases due to related parties during the six months ended February 29, 2016 was \$118,842 compared with cash provided by financing activities of \$315,415 during the six months February 28, 2015.

As of February 29, 2016, the Company had shareholders' equity of \$1,321,586. The capital to date was from proceeds of the issuance of common shares. The Company did not have any revenues during the six months ended February 29, 2016.

1.8 Off-Balance Sheet Arrangements:

The Company has no long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no undisclosed off-Balance Sheet Arrangements.

1.9 Transactions with Related Parties:

The Company shares office facilities and has common management and directorships with a number of public and private corporations. The Company is charged for office rentals and office services on a proportional cost basis. **Charges of \$19,313 (2015 - \$15,860) were incurred in the period with a related company.** Management believes that the methods of cost allocations and resultant costs are reasonable.

These related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts owing to related parties is unsecured, non-interest bearing and have no specific terms for repayment.

The Company has renewed the management services agreement with the President/CEO for \$5,000 per month effective February 1, 2016, for a further two-year term. **During the six months ended February 29, 2016 a total of \$30,000 (2015 - \$30,000) was accrued/paid.**

The Company and Belmont Resources Inc. (a public company related through common directors), are 50:50 joint venture partners in the Central Mineral Belt Project-Labrador, the Crackingstone, and Orbit Lake- Saskatchewan Projects. Belmont is acting as the operator and incurs the expenditures for the project and invoices Montoro 50% of the costs plus 5% administration fee. **No new charges were incurred during the six months ended February 29, 2016 for exploration programs on the joint Crackingstone/Orbit properties near Uranium City, Saskatchewan.**

Amounts due to related parties:

| | February 29, 2016 | August 31, 2015 |
|---------------------------|------------------------------|--------------------|
| Gary Musil, CEO/President | \$ 277,496 | \$ 252,347 |
| Belmont Resources Inc. | 41,574 | 32,350 |
| | \$ 319,070 | \$ 284,697 |

1.10 Proposed Transactions/Commitments:

In order for the Company to maintain its interests in its mineral properties, it will be required to make the following option payments: Nil

1.11 Critical Accounting Estimates:

Our financial statements have been prepared in conformity with International Financial Reporting Standards (“IFRS”) and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of

investments and share-based compensation. Financial results as determined by actual events could differ materially from those estimates.

Risk management:

The Company's mineral property holdings and exploration activities create potential exposure to environmental liabilities, including site reclamation. The Company is currently in the initial exploration stages on its Canadian property interests and management has not determined whether significant site reclamation costs will be required. The Company records liability for site reclamation when determinable on a systematic accrual basis in the period in which such costs can be reasonably determined.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. Due to current economic conditions in capital markets the Company has a high risk associated with liquidity. The Company does not hold complex financial instruments or significant long-term assets.

1.12 Changes in Accounting Policies including Initial Adoption:

Certain new accounting standards and interpretations have been published that are not mandatory for the February 29, 2016 reporting period. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new standard:

IFRS 9 Financial Instruments – IFRS 9 is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. The standard will be effective for annual periods beginning on or after January 1, 2018.

1.13 Financial & Other Instruments:

The Company's financial instruments consist of cash, marketable securities, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.14 Other MD&A Requirements:

Additional disclosure of the Company's material documents, information circulars, material change reports, news releases, and other information related to the Company can be obtained on SEDAR at www.sedar.com as well as the Company's website www.MontoroResources.com

A. SUBSEQUENT EVENTS FROM FEBRUARY 29, 2016 TO DATE:

(i) Shares & Warrants Issued:

-March 11, 2016 – The Company issued 2,280,000 common shares at \$0.03 for gross proceeds of \$68,400 c/w 2,280,000 transferable warrants exercisable by the holder at a price of \$0.06 until March 11, 2017; and at a price of \$0.10 after March 11, 2017 and up to March 11, 2018.

-March 29, 2016 – The Company issued 2,350,000 common shares at \$0.03 for gross proceeds of \$70,500 c/w 2,390,000 transferable warrants exercisable by the holder at a price of \$0.06 until March 29, 2017; and at a price of \$0.10 after March 29, 2017 and up to March 29, 2018. The paid \$1,200 cash and issued 40,000 brokers finder’s fee warrants as detailed above.

-April 11, 2016 – The Company issued 1,100,000 common shares at \$0.03 for gross proceeds of \$33,000 c/w 1,100,000 transferable warrants exercisable by the holder at a price of \$0.06 until April 11, 2017; and at a price of \$0.10 after April 11, 2017 and up to April 11, 2018

- (ii) **Warrants Exercised/Expired: Nil exercised. Nil expired.**
- (iii) **Options Exercised/Expired: Nil exercised. Nil expired.**
- (iv) **Grant of Options: April 19, 2016 - 1,350,000 options were granted to Officers/Directors/Consultants at an exercise price of \$0.05 expiring April 19, 2019.**
- (v) **Termination of Options: Nil**
- (vi) **Other Transactions and News Releases:**

-March 23, 2016: The Company paid ‘Cash in Lieu’ of exploration on the Chuchinka mineral claims which are now in good standing until September 23, 2016. Subject to financing, the Company anticipates conducting a ground sampling program in the upcoming exploration season.

-March 30, 2016: The Company issued Advance Notice of the upcoming Annual General Meeting to be hold at 10:00 a.m. on June 3, 2016. Shareholders of record on April 29, 2016 will be delivered the Information Circular and proxy related materials.

B. AUTHORIZED AND ISSUED SHARE CAPITAL AS AT April 28, 2016:

Authorized – Unlimited common shares without par value
Issued and Outstanding: 75,220,526 common shares

C. OPTIONS, WARRANTS & CONVERTIBLE SECURITIES OUTSTANDING AS AT April 28, 2016

The following options, warrants, and convertible securities were outstanding as at April 28, 2016:

(i) **Options**

| Number | Exercise Price | Expiry Date |
|------------------|-----------------------|--------------------|
| 1,400,000 | \$0.05 | February 20, 2017 |
| 900,000 | \$0.05 | April 1, 2017 |
| 150,000 | \$0.05 | May 7, 2017 |
| 350,000 | \$0.07 | April 23, 2018 |
| 1,350,000 | \$0.05 | April 19, 2019 |
| <u>4,150,000</u> | | |

(ii) **Warrants**

| Number | Exercise Price | Expiry Date |
|-------------------|-----------------------|--------------------|
| 4,055,000 | \$0.07 | February 18, 2017 |
| 60,000 | \$0.14 | February 18, 2017 |
| 2,422,000 | \$0.07 | April 10, 2017 |
| 5,400 | \$0.14 | April 10, 2017 |
| 1,315,000 | \$0.07 | April 21, 2017 |
| 2,280,000 | \$0.06 | March 11, 2017 |
| | \$0.10 | March 11, 2018 |
| 2,390,000 | \$0.06 | March 29, 2017 |
| | \$0.10 | March 29, 2018 |
| 1,100,000 | \$0.06 | April 11, 2017 |
| | \$0.10 | April 11, 2018 |
| <u>13,627,400</u> | | |

D. EVALUATIONS OF DISCLOSURE CONTROLS AND PROCEDURES

Based on our evaluation for the quarter ended February 29, 2016, and up to the date of this Management Discussion and Analysis, we have concluded that our disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information required to be disclosed in the Company's interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and Chief Financial Officer, as appropriate to allow timely disclosure regarding required disclosure.

E. CORPORATE GOVERNANCE DISCLOSURES

The Company has submitted to its members and shareholders details in the Information Circular **April 28, 2016** Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for period review. Some of those guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company's Information Circular can be reviewed on www.Sedar.com

F. RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration

stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

INTERNATIONAL MONTORO RESOURCES INC.

CORPORATE DATA

HEAD OFFICE

#600 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Tel: (604) 683-6648

Fax: (604) 683-1350

E-Mail: Montoro@telus.net

Website: www.MontoroResources.com

Directors and Officers

Gary Musil, CEO/President/Director
Brent A. Griffin, Geologist/CFO/Director
Bruce E. Bried, P.Eng./Director
Roger Agyagos, Director

Registrar and Transfer Agent

Computershare Investor Services
3rd Floor, 510 Burrard Street
Vancouver, B.C.
V6C 3B9

Solicitors

Owen Bird Law Corporation
Barristers & Solicitors
29th Floor, Three Bentall Centre
595 Burrard Street
Vancouver, B.C. V7X 1J5

Auditors

Crowe MacKay LLP
Chartered Accountants
Suite 1100,
1177 West Hastings Street
Vancouver, B.C. V6E 4T5

Listings

TSX Venture Exchange
Symbol: IMT

Frankfurt Stock Exchange
Symbol: O4T

Share Capitalization (February 29, 2016)

Authorized: Unlimited
Issued & Outstanding: 69,490,526