Background

This Management Discussion and Analysis (MD&A) of Oceanus Resources Corporation (Oceanus or the Corporation) is dated July 29, 2016 and provides an analysis of the financial operating results for the years ended March 31, 2016 and March 31, 2015. This MD&A should be read in conjunction with the audited financial statements and accompanying notes for the years ended March 31, 2016 and March 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for financial statements. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases and technical reports referenced herein, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Corporation's name.

The common shares of Oceanus are traded on the TSX Venture Exchange under the symbol **OCN**. Additional information can be found on the Corporation's website at **www.oceanusresources.ca**.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Corporation (as defined herein) is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts, may be forward-looking, and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral and commodity prices and marketability of minerals; title to properties; local residential concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; no history of paying dividends and no intention of paying dividends in the near future; and other factors beyond the control of the Corporation.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Refer to the section titled "Risks and Uncertainties".

Company Overview

Oceanus was incorporated on June 14, 2010 under the Canada Business Corporations Act (CBCA). The registered office of the Corporation is located at Suite 2108, Purdy's Tower Two, 1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7.

The Corporation completed a $500,000 Initial Public Offering ("IPO") in December 2010 with 5,000,000 shares being issued at a price of $0.10 per share. The common shares of Oceanus commenced trading on the TSX Venture Exchange ("Exchange") on December 17, 2010.

Oceanus was established as a "Capital Pool Company" ("CPC") and accordingly the principal focus of the Corporation during 2010 and 2011 was the completion of a "Qualifying Transaction". Qualifying Transaction means a transaction where a CPC acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means. Any Qualifying Transaction must be approved by the Exchange, and in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval, in accordance with the CPC Policy.

Oceanus entered into a definitive asset purchase agreement dated July 15, 2011 for the arm's length acquisition of the Lac Mégantic Gold-Base Metal Property (the "Transaction"). The Lac Mégantic Property is located about 70 kilometers southeast of the mining town of Thetford Mines and 210 kilometers east of Montreal in the Eastern Townships of the Province of Quebec. At time of acquisition the Property comprised 622 claims covering approximately 36,651 ha or 366.5 km^2.

The Transaction was completed on October 24, 2011 with Oceanus acquiring the Lac Mégantic Property in consideration for the issuance of 1,000,000 Oceanus common shares to the vendors and payment of $162,500. The vendors retained a net smelter royalty ("NSR") of 2%. Oceanus also paid a finder's fee of 125,000 of its common shares in connection with the acquisition.

The acquisition of the Lac Mégantic Property was approved by the TSX Venture Exchange as being the Corporation's Qualifying Transaction. Concurrently, the Corporation completed a private placement of flow-through common shares priced at $0.40 for gross proceeds of $500,000. The flow-through common shares entitle the purchasers to certain benefits under the Income Tax Act.

Trading of the common shares of Oceanus on the Exchange was halted from March 29, 2011, the date on which the Corporation press released its Qualifying Transaction. Trading of the common shares of Oceanus resumed on the TSX Venture Exchange on November 1, 2011 under the symbol "OCN".

On April 25, 2012 the Corporation completed a non-brokered private placement financing and issued a total of one million common shares at a price of $0.25 per share for gross proceeds of $250,000.

On October 24, 2012 the Corporation entered into a binding letter of intent to acquire all of the issued and outstanding securities of Lunar Gold Holdings Incorporated ("LGH"), a Canadian company, in consideration of the issuance of 11 million common shares of Oceanus ("LGH Acquisition"). LGH and LGH's wholly owned Canadian subsidiary, LGHI Holdings Incorporated ("LGHI"), together own 100% of Minera Pueblo de Oro S.A. de C.V., a Mexican company, ("MPO"). MPO is a party to three option agreements under which it can earn a 100-per-cent interest in twelve (12) Mexican mining concession titles, collectively known as the La Lajita Property, covering approximately 3,200 hectares in Durango, Mexico. Pursuant to Exchange Policy 5.3 trading of Oceanus's stock was halted on October 24, 2012 and remained halted until completion of the transaction.

On March 13, 2013 Oceanus completed the LGH Acquisition together with a private placement financing pursuant to which the Corporation issued 8,846,141 common shares at a price of $0.26 per share for gross proceeds of $2.3 million. Trading of Oceanus' common shares resumed on March 15, 2013.

On March 7, 2014 the Corporation completed a non-brokered private placement financing and issued 6,003,622 common shares at a price of $0.22 per share for gross proceeds of $1.3-million.

On July 25, 2014 the Corporation completed a non-brokered private placement financing and issued 8,000,000 common shares at a price of $0.35 per share for gross proceeds of $2.8 million.

On June 19, 2015 the Corporation completed a non-brokered private placement financing and issued 6,250,000 units at $0.20 per unit for gross proceeds of $1.25 million. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Corporation for $0.30 for a period of 18 months from the closing date of the offering.

On September 15, 2015 the Corporation announced that it entered into an arrangement agreement ("Arrangement Agreement") with El Tigre Silver Corp. ("El Tigre") to combine the respective companies by way of a statutory plan of arrangement pursuant to the Business Corporations Act (British Columbia), under which the Corporation would acquire all of the outstanding common shares of El Tigre in exchange for common shares of Oceanus on the basis of 0.2839 of one Oceanus share for each El Tigre share (the "Transaction"). El Tigre holds a100% interest in the El Tigre Silver and Gold Property located in Sonora State, Mexico. The El Tigre Property is comprised of 8 mining concessions totaling 215 square kilometers and includes the historic El Tigre Mine and tailings.

On November 13, 2015, following the receipt of the final order of the Court on November 10, 2015, Oceanus and El Tigre completed the Arrangement Agreement. A total of 17,856,140 Oceanus Shares were issued to the El Tigre shareholders. In connection with the Transaction, all outstanding warrants and options to purchase El Tigre shares were cancelled as they were not "in-the-money".

Following the completion of the Arrangement Agreement, Oceanus Shares continue to trade on the TSX Venture Exchange (the "TSXV"), while El Tigre Shares have been delisted from the TSXV and El Tigre has ceased to be a reporting issuer.

On December 23, 2015 the Corporation completed a non-brokered private placement financing and issued 16,250,000 units at $0.16 per unit for gross proceeds of $2.6 million. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant entitles the holder to acquire one common share of the Corporation for $0.24 for a period of 36 months from the closing date of the offering.

On June 21, 2016 the Company completed a bought deal financing and issued 25,000,000 units at a price of $0.23 per unit, for aggregate gross proceeds of $5,750,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company for $0.39 for a period of 24 months from the closing date of the offering.

El Tigre Property, Mexico

El Tigre holds eight Mexican Federal mining concessions, located in north-eastern Sonora State and totaling 215 square kilometers, collectively referred to as the El Tigre Gold and Silver Property ("El Tigre Property"). The concessions are 100% held by El Tigre through its wholly owned subsidiary, Pacemaker Silver Mining SA de CV and its wholly owned subsidiary, Compãnia Minera Talaman SA de CV. El Tigre also holds one additional 0.32 square kilometres claim, known as the San Juan Property, separate from the El Tigre Silver Property, also located in Sonora State, Mexico.

The El Tigre Property is located in the Sierra El Tigre of north-eastern Sonora State, 90 kilometers south-southeast of the border towns of Agua Prieta, Mexico and Douglas, Arizona. The Property covers the historic El Tigre Mine and Tailings as well as additional targets. Discovered in 1900 by the Lucky Tiger Combination Gold Mining Company of Kansas City, Missouri, the El Tigre Mine originally began as a gold producer but quickly shifted to silver when it was discovered that the silver was more plentiful than gold. From 1903 to 1938 mine production was estimated at 70 to 75 million ounces of silver and an estimated 325,000 to 350,000 ounces of gold. The El Tigre Mine's reported production through 1927 was 1,198,447 tonnes averaging 1,308 grams of silver and 7.54 grams of gold per tonne with 0.4% copper, 1.1% lead and 1.4% zinc. This is equivalent to 50.4 million ounces of silver and 290,543 ounces of gold. The mine was shut down in 1938, primarily due to low metal prices, and remained dormant until 1981 when Anaconda Minerals Company ("Anaconda") commenced exploration on the Property.

From 1981 to 1984, Anaconda Minerals Company ("Anaconda") completed an extensive district scale exploration program including geological mapping, test work on the tailings as well as drilling 7,812 meters in 22 holes. From 2011 to 2013 El Tigre drilled a total of 59 diamond core holes totaling 9,411 meters of drill length.

Oceanus 2016 Infill Gap Sampling Program

During the first half of calendar 2016 Oceanus carried out an infill gap sampling program on the legacy diamond drill core at the El Tigre Property. Oceanus disclosed the results from the first 53 drill holes over a strike length of 1,675 meters, located between Sections 4975N and 3300N, in press releases dated March 7, 2016, May 16, 2016 and June 28, 2016. Results are pending for an additional 6 holes located between Sections 5100N and 4750N.

The goals of the sampling program are to "twin" several of the high grade intersections identified by the original sampling in 2013 and to assay sections of the core not previously sampled to provide complete assay coverage over the length of the holes.

These assay results indicate a broader halo of gold and silver mineralization than was previously recognized. Due to the slope of the hillside, many of the legacy drill holes are collared on the mineralization.

After Oceanus included the new assay results for the legacy diamond drill holes, the mineralized intercept for select holes are as follows:

- Hole ET-13-051 - 127.0 meters of 2.16 g/t gold equivalent consisting of 1.80 g/t gold and 27.5 g/t silver; including 33.0 meters of 4.73 g/t gold equivalent consisting of 4.48 g/t gold and 18.5 g/t silver

- Hole ET-13-066 – 97.7 meters of 1.80 g/t gold equivalent consisting of 0.90 g/t gold and 67.5 g/t silver; including 3.5 meters of 34.33 g/t gold equivalent consisting of 15.99 g/t gold and 1,375.6 g/t silver

- Hole ET-13-075 – 104.0 meters of 1.01 g/t gold equivalent consisting of 0.53 g/t gold and 36.1 g/t silver

- Hole ET-13-077 - 139.1 meters of 1.02 g/t gold equivalent consisting of 0.94 g/t gold and 6.6 g/t silver

- Hole ET-10-031 – 92.9 meters of 0.80 g/t gold equivalent consisting of 0.39 g/t gold and 30.4 g/t silver; including 7.5 meters of 2.07 g/t gold equivalent consisting of 1.11 g/t gold and 72.6 g/t silver.

- Hole ET-10-033 – 48.6 meters of 1.46 g/t gold equivalent consisting of 0.61 g/t gold and 63.9 g/t silver; including 9.5 meters of 5.46 g/t gold equivalent consisting of 1.80 g/t gold and 274.5 g/t silver.

True width has not been calculated for the above intercepts, but true width is generally estimated at 75-90% of drilled width. Complete assay results for the infill gap sampling program are included in appendices to press releases dated March 7, 2016, May 16, 2016 and June 28, 2016 which are available on SEDAR and the Corporation's website.

Oceanus 2016 Drill Program

Oceanus commenced a diamond drilling program in July 2016 at El Tigre. The initial phase of the 2016 drill program will consist of drilling several new holes near drill holes ET-13-051 and ET-13-064 to cross the entire width of the mineralized zone and end in the barren footwall rock; drill several holes to test the extension of the high grade clavos; and to complete a fence of 4 drill holes across the entire mineralized zone consisting of the Sooy Vein in the hanging wall, the central El Tigre Vein and the Seitz-Kelly Vein in the footwall.

El Tigre In-Situ Mineral Resources (2013)

In accordance with the Canadian Securities Administrators National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects, Hard Rock Consulting, LLC of Lakewood, Colorado ("HRC") completed a NI 43-101 report, filed August 15, 2013, which defines a reserve calculation of the tailings stockpile and defines an in-situ resource at the El Tigre Property. Details of this NI 43-101 report were announced in an El Tigre news release dated July 5, 2013.

The mineral resource estimate for in-situ material is based on 9,468 meters drilled in 61 diamond core holes conducted in three phases over three years. The mineral resources for the in-situ portion of the El Tigre Project are estimated by HRC to be 9.875 million tonnes grading an average of 0.630 g/t Au and 39.7 g/t Ag classified as indicated mineral resources with an additional 7.042 million tonnes grading an average of 0.589 g/t Au and 36.1 g/t Ag classified as inferred mineral resources. The base case estimated mineral resource is based on a 50 g/t silver equivalent ("AgEq") cut-off.

The mineral resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction. HRC considers that significant portions of the El Tigre Project are amenable to open pit extraction. The "reasonable prospects for economic extraction" requirement referred to in NI 43-101 was tested by designing a series of conceptual open pit shells using CAE Mining's Maxipit Software. HRC selected parameters to represent a reasonable expectation reflecting the intent that the resource captured within the pit shell meets the test of reasonable prospect for economic extraction and can be declared a mineral resource. The mineral resource is not inclusive of the mineral reserves.

This mineral resource estimate is based on a 3D geologic model constructed using geologic and assay data from 9,468 meters of drilling in 61 drill holes. The assay data has been examined for the presence of high grade outlier data which could potentially adversely impact the grade estimation. Based on this analysis, all gold and silver assays were capped at 12.5 g/t and 290.0 g/t, respectively. The capped assay data were then composited into 2.0m downhole lengths for use in grade estimation. Block grades were estimated using a single indicator ordinary kriging interpolation method and are presented in the table below.

Indicated Resources							
Cutoff	Tonnage	AgEq	Ag	Au	Contained Metal (x1000 ounces)		
					AgEq	Ag	Au
gpt	Tonnes(x1000)	gpt	gpt	gpt	t.oz.	t.oz.	t.oz.
100	1,500	126.4	67.6	0.980	6,097	3,259	47
75	4,203	99.8	53.6	0.771	13,486	7,241	104
50	**9,875**	**77.8**	**39.7**	**0.630**	**24,713**	**12,614**	**200**
30	15,538	63.6	32.4	0.527	31,794	16,202	263
Inferred Resources							
100	516	122.0	63.8	0.974	2,024	1,058	16
75	2,322	92.0	49	0.719	6,868	3,658	54
50	**7,042**	**71.0**	**36.1**	**0.589**	**16,075**	**8,173**	**133**
30	13,520	56.0	26.4	0.493	24,342	11,476	214

Notes:

(1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

(2) Indicated and Inferred Mineral Resources captured within the pit shell meet the test of reasonable prospect for economic extraction and can be declared a Mineral Resource.

(3) Pit optimization is based on assumed gold and silver prices of US$1,350/oz. and US$22.50/oz., respectively, metallurgical recoveries for gold and silver were assumed at 75%, and a mining, processing and G&A cost of US$7.15 per tonne.

(4) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

(5) The Mineral Resource is not inclusive of the Mineral Reserves.

(6) Silver Equivalent stated using a ratio of 60:1 and ounces calculated using the following conversion rate: 1 troy ounce = 31.1035 grams. Metallurgical recoveries are not accounted for in the silver equivalent calculation.

La Lajita Property, Mexico

The La Lajita Property comprises 12 mining concessions located in the south-west corner of Durango State, Mexico, along the western flanks of the Sierra Madre Occidental, in one of the largest volcanic belts in the world. This area is recognized as an extremely prospective mineral belt for gold and silver deposits. Furthermore, this area is a virgin district having never been discovered or worked by the Spanish and there are no historic mining records. There are numerous pits, adits and small shafts that have been developed by local gambusinos during the 1900's, and the locals continue to mine in the area to this day.

The property is underlain by volcanic sequences and intrusive rocks disrupted by faulting. Gold and silver mineralization is found in a number of locations along the northwest trending La Lajita and La Lajita East structures over a strike length of 2 km. Small scale mining by pick and shovel is the oldest known work on the property and dates back approximately 50 years. Gold is hand panned after pulverization of the material mined from five areas on the property. The most significant mining took place at Mina la Guadalupe where the underground workings have followed the mineralization along strike for a distance of 150 metres.

During 2003 and 2004, certain of these mining concessions were the focus of an exploration program by International Northair Mines Ltd. ("Northair"). Geologic mapping, rock sampling and other field investigations by Northair led to the discovery of several significant gold and silver mineralized zones, and there remains potential for additional discoveries both parallel to and along strike. Mineralization generally occurs as veins, stockwork and breccia zones along and adjacent to fault zones. The presence of relatively minor amounts of sulphide minerals along with hematite (locally as specularite) within these alteration zones indicates association with a low-sulfidation type epithermal system. Visible gold is present within siliceous quartz and hematite breccia hosted by maroon colored andesitic pyroclastic host rocks. Drilling completed by Northair indicates that gold and silver mineralized zones extend at least 100 meters from surface with true widths up to 12 meters. Wider zones of high grade gold and silver mineralization may also occur in areas influenced by structural intersections.

The most significant mineralization found on the property consists of five zones hosted by the La Lajita fault. From north to south these are the La Esperanza, Las Zanjas, Santo Nino, Dos Hermanos and La Lajita Zones. Three other zones are located along a secondary fault, La Lajita East, that parallels the La Lajita fault, and are known as the La Guadalupe, Los Ratones and the Cerro de Sol Zones. The initial 2013 exploration program consisted of continued geological mapping, prospecting and sampling of these zones and their immediate extensions along strike.

Exploration Activities

In 2013 Oceanus completed a helicopter-borne magnetics and radiometric survey over the property to assist with the geological interpretation of the intrusive rocks and structures. An initial sampling program was carried out and results were detailed in the Oceanus news releases dated May 8, May 29, June 12 and August 22, 2013.

In light of these encouraging results, MPO carried out a Phase 1 diamond drilling program at La Lajita. On September 24, 2013 Oceanus press released that diamond drilling had intersected high-grade gold and silver mineralization at both the Santo Nino and Dos Hermanos prospects.

MPO completed a Phase II diamond drilling program at La Lajita in summer 2014. The 2014 diamond drilling program focused on the high-grade Santa Nino "clavos" and the Dos Hermanos prospect, both of which returned excellent results from the first round of drilling in 2013. Six holes totaling 1,143.9 meters were drilled at Santo Nino to test the down dip extension of the high-grade ore shoot intersected by the discovery hole OCN-13-005.

Seven holes totaling 882.1 meters were drilled at the Dos Hermanos Prospect, four holes totaling 470.6 meters were also drilled at the northern strike extension of Dos Hermanos and four holes totaling 505.9 meters were also drilled at the southern strike extension at Dos Hermanos. This drilling has effectively doubled the strike length of the mineralized zone at Dos Hermanos to 225 meters.

MPO subsequently completed a Phase III drill program in the later part of 2014 comprised of four diamond drill holes at the Santo Nino prospect. Geological mapping, prospecting and sampling were also completed along the La Lajita fault system. Stream sediment sampling was completed in the north-western area of the property to assess the gold potential along the north-west extension of the La Lajita fault system. The Phase 3 drill program was focused to define the down dip extension of the mineralization along strike to the northwest. .

Limited exploration activities were carried out at La Lajita during 2015 and 2016 including geological mapping and prospecting with the objective of identifying new gold showings along the La Lajita fault system in the area of the Cerro del Sol prospect located along the southern extension of the fault system, as well as to the north of the Esperanza prospect. These gold-silver prospects are two of a total of eight prospects that have been identified on the La Lajita fault system.

La Lajita Option Agreements

MPO is party to three separate option agreements covering the twelve mining concessions. The terms of the three option agreements are summarized below.

Ten of the mining concessions are subject to an option agreement dated October 4, 2012 that provides for aggregate cash option payments aggregating US$2,000,000. The remaining cash option payments as at March 31, 2015 are as follows:

- On or before October 4, 2015 US$300,000
- On or before October 4, 2016 US$300,000
- On or before October 4, 2017 US$500,000
- On or before October 4, 3018 US$500,000

MPO entered into an amending agreement effective October 1, 2015 whereby the US$300,000 option payment that was originally due not later than October 4, 2015 was replaced with three separate option payments of US$100,000 due on or before October 4, 2015, January 4, 2016 and March 4, 2016 respectively. The option payments due January 4, 2016 and March 4, 2016 remain outstanding at July 29, 2016.

The option agreement also provides for minimum optional exploration expenditures of US$150,000 in each of the first four years of the agreement. To the extent that MPO incurs exploration expenditures greater than US$150,000 in a given year, the excess amount may be carried forward and applied against the required expenditure amount of the following year.

In the event MPO establishes mineral production on any of the ten concessions it is obligated to pay the Optionors a 2% net smelter return if gold is valued at or less than $1,000 per ounce or a 2.5% net smelter return if gold is valued at greater than $1,000 per ounce at the time of production. MPO has the option to purchase 50% of the net smelter return for a cash payment of US$1,500,000.

One of the mining concessions is subject to an option agreement dated October 4, 2012, as amended May 9, 2013 and December 19, 2013, that provides for aggregate cash option payments of US$150,000 which have been paid.

In the event MPO establishes mineral production on this mining concession it is obligated to pay the Optionors a 2% net smelter return if gold is valued at or less than $1,000 per ounce or a 2.5% net smelter return if gold is valued at greater than $1,000 per ounce at the time of production. MPO has the option to purchase 50% of the net smelter return for a cash payment of US$200,000.

One of the mining concessions is subject to an option agreement dated October 15, 2012 that is for a term of 10 years and provides for monthly cash option payments of Mexican Pesos 15,000. In the event MPO establishes mineral production on this mining concession, the monthly cash option payment increases to Mexican Pesos 20,000.

At year-end and during the first quarter of fiscal 2017 management was in discussions with the owners of the ten mining concessions to negotiate amended payment terms acceptable to the Company and management expected to successfully conclude these negotiations. As such, there was no indication of impairment at March 31, 2016. However, subsequent to year-end it became clear to management that it was unlikely that acceptable terms would be negotiated and the decision was taken to terminate the option agreement. An impairment charge will be recorded in fiscal 2017 for the full amount of the La Lajita resource property which was $8,196,183 at March 31, 2016.

Qualified Person

David Duncan, P. Geo., a qualified person as defined by National Instrument 43-101, has reviewed and approved the information provided in this Management Discussion and Analysis for the year ended March 31, 2016.

Selected Financial Information

Oceanus' consolidated net loss was $1,833,549 ($0.03 per share) for the year ended March 31, 2016 compared to $1,372,574 ($0.03 per share) for the year ended March 31, 2015 and $1,910,207 ($0.05 per share) for the year ended March 31, 2014. For the year ended March 31, 2014 the Corporation recorded a write-down of its Lac Megantic resource property in the amount of $0.9 million or $0.025 per share.

The following table contains selected financial information for the years ended March 31, 2016, March 31, 2015 and March 31, 2014.

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	$ -	$ -	$ -
Net loss and comprehensive loss	$ 1 ,833,549	$ 1,372,574	$ 1,910,207
Total assets	$ 18,350,462	$ 8,088,225	$ 5,815,527
Working capital (deficiency)	$ (789,054)	$ 341,534	$ 1,249,637
Loans payable	$ 1,364,807	$ -	$ -
Shareholder equity	$ 16,337,645	$ 7,685,348	$ 5,639,267
Loss per share	$ 0.03	$ 0.03	$ 0.05

Results of Operations – Three Months Ended March 31, 2016

For the three month period ended December 31, 2016 the Corporation incurred a net loss of $474,958 as compared to a net loss of $188,575 for the three month period ended March 31, 2015. The current period net loss includes the operating expenses of El Tigre Silver Corp.

The expenses and income incurred during the three month periods ended March 31, 2016 and March 31, 2015 are detailed in the following table.

	3 months ended March 31, 2016	3 months ended March 31, 2015
Consulting fees	$ 142,500	$ 93,100
Dues and fees	$ 11,241	$ 9.808
Foreign exchange loss	$ 25,659	$ (4,175)
Insurance	$ 45,274	$ 12,923
Interest expense	$ 36,764	$ -
Office	$ 17,199	$ 8,078
Professional fees	$ 41,851	$ 37,894
Shareholder communication	$ 30,744	$ 3,366
Travel	$ 10,202	$ 27,010
Wages and benefits	$ 113,494	$ 1,373
Total operating expenses	$ 474,958	$ 189,377
Interest income	$ -	$ (802)
Net loss for the period	$ 474,958	$ 188,575

The Corporation incurred consulting fees of $142,500 in the three month period ended March 31, 2016 compared to $93,100 in the prior year comparable period. The increase in consulting fees recorded in the current quarter was a result of the increased level of corporate activity related to overseeing the El Tigre exploration program.

For the three month period ended March 31, 2016 the Corporation incurred a net foreign exchange loss of $25,659 compared to a net foreign exchange gain of $4,175 in the prior year comparable period. Mexican resource property expenditures are denominated in US dollars and Mexican Pesos and the Corporation's reporting currency is Canadian dollars, consequently foreign exchange gains and losses relating to cash balances, Mexican VAT receivable and current liabilities result with changes in the US dollar/Canadian exchange rate and the Mexican Pesos/Canadian exchange rate.

For the three month period ended March 31, 2016 the Corporation incurred insurance expense of $45,274 compared to $12,923 in the prior year comparable period. The increase was primarily attributed to the placement of additional insurance coverage relating to the closing of the El Tigre Transaction.

For the three month period ended March 31, 2016 the Corporation incurred interest expense on loans payable of $35,621 compared to $nil in the prior year comparable period. At the date of closing the El Tigre Transaction four former directors of El Tigre Silver Corp. were owed a total amount of $1,317,921. The loans are unsecured, bear interest at the rate of 10% per annum and mature on November 13, 2016.

For the three month period ended March 31, 2016 the Corporation incurred wages and benefits of $113,494 compared to $1,373 in the prior year comparable period. The wage expense in the current period includes a provision for severance of employees in Mexico.

Results of Operations – Year Ended March 31, 2016

For the year ended March 31, 2016 the Corporation incurred a net loss of $1,833,549 as compared to a net loss of $1,372,574 for the year ended March 31, 2015. The current period net loss includes the operating expenses of El Tigre Silver Corp. for the period November 13, 2015 to March 31, 2016.

The expenses and income incurred during the years ended March 31, 2016 and March 31, 2015 are detailed in the following table.

	12 months ended March 31, 2016	**12 months ended March 31, 2015**
Consulting fees	$ 427,245	$ 300,400
Dues and fees	$ 55,568	$ 30,686
Foreign exchange (gain) loss	$ 101,065	$ (55,039)
Insurance	$ 90,494	$ 46,705
Interest expense	$ 51,812	$ -
Office	$ 46,331	$ 35,258
Professional fees	$ 171,940	$ 296,095
Shareholder communication	$ 45,586	$ 38,729
Stock-based compensation	$ 533,000	$ 413,000
Travel	$ 44,906	$ 55,866
Wages and benefits	$ 267,848	$ 219,362
Total operating expenses	$1,835,795	$1,381,062
Interest income	$ (2,246)	$ (8,488)
Net loss for the period	$1,833,549	$1,372,574

The Corporation incurred consulting fees of $427,245 in the year ended March 31, 2016 compared to $300,400 in the prior year. The increase in consulting fees was partly attributed to the Corporation incurring twelve months of contract management services provided by the CEO in the current period compared to only seven months in the prior year comparable period.

For the year ended March 31, 2016 the Corporation incurred a net foreign exchange loss of $101,065 compared to a net foreign exchange gain of $55,039 in the prior year. Mexican resource property expenditures are denominated in US dollars and Mexican Pesos and the Corporation's reporting currency is Canadian dollars, consequently foreign exchange gains and losses relating to cash balances, Mexican VAT receivable and current liabilities result with changes in the US dollar/Canadian exchange rate and the Mexican Pesos/Canadian exchange rate.

For the year ended March 31, 2016 the Corporation incurred insurance expense of $90,494 compared to $46,705 in the prior year comparable period. The increase was primarily attributed to the placement of additional insurance coverage relating to the closing of the El Tigre Transaction.

For the year ended March 31, 2016 the Corporation incurred interest expense on loans payable of $51,812 compared to $nil in the prior year comparable period. At the date of closing the El Tigre Transaction four former directors of El Tigre Silver Corp. were owed a total amount of $1,317,921. The loans are unsecured, bear interest at the rate of 10% per annum and mature on November 13, 2016.

For the year ended March 31, 2016 the Corporation incurred professional fees of $171,940 compared to $296,095 in the prior year. The decrease is attributed to a reduction in legal and professional services contracted.

Summary of Quarterly Results

The following table table contains selected financial information for the Corporation for the past eight quarterly periods.

	Revenue	Net loss and comprehensive loss	Total assets	Working capital (deficiency)	Shareholder equity	Loss per Share
June 30, 2014	Nil	$ 462,413	$ 6,034,314	$ 419,108	$ 5,694,154	$0.01
September 30, 2014	Nil	$ 333,333	$ 8,137,494	$2,041,046	$ 7,987,564	$0.01
December 31, 2014	Nil	$ 388,253	$ 8,113,001	$ 756,474	$ 7,865,311	$0.01
March 31, 2015	Nil	$ 188,575	$ 8,088,225	$ 341,534	$ 7,685,348	$0.004
June 30, 2015	Nil	$ 221,886	$ 9,197,208	$1,249,905	$ 8,683,309	$0.004
September 30, 2015	Nil	$ 291,769	$ 9,119,200	$ 536,455	$ 8,421,540	$0.004
December 31, 2015	Nil	$ 844,936	$18,423,911	$(163,392)	$16,248,508	$0.01
March 31, 2016	Nil	$ 474,958	$18,350,462	$(789,054)	$16,337,645	$0.01

Liquidity and Capital Resources

As at March 31, 2016 the Corporation reported cash and cash equivalents of $876,113, total current assets of $1,223,763 and a working capital deficiency of $789,054.

The Corporation reported loans payable, including accrued interest, at March 31, 2016 of $1,364,807. At the date of closing the El Tigre Transaction four former directors of El Tigre Silver Corp. were owed a total amount of $1,317,921. This amount was comprised of loan proceeds and accrued interest thereon. The loans are unsecured, bear interest at the rate of 10% per annum and mature on November 13, 2016. For the period November 14, 2015 to March 31, 2016 accrued interest of $46,886 was recorded.

On June 21, 2016 the Company addressed its current funding requirements by completing a bought deal financing comprised of 25,000,000 units at a price of $0.23 per unit, for aggregate gross proceeds of $5,750,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company for $0.39 for a period of 24 months from the closing date of the offering.

The Corporation finances its operations through the issuance of equity securities. The Corporation is dependent on raising additional funding through the issuance of equity securities in order to fund future exploration programs and to meet its ongoing general and administrative requirements and while management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. The reader should refer to the "Going Concern" disclosure in the Risks and Uncertainties section of this MD&A.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Related Party Transactions

Geological and administrative consulting services were provided during the year by a corporation owned by a non-executive director of the Company. The cost of these consulting services during the year was $66,750 (2015 - $123,700). The Company recorded $66,750 (2015 - $112,000) to resource properties and $nil (2015 - $11,700) to professional fees.

Legal services were provided during the year by a firm of which an officer of the Company is the sole lawyer practitioner. The cost of these legal services during the year was $116,780 (2015 - $390,505). The Company recorded $51,000 (2015 - $250,908) to professional fees expense and $65,780 (2015 - $139,598) to share issue costs.

The Company incurred office rent expenses of $nil during the year (2015 - $1,500) relating to the rental of an office from a corporation owned by a non-executive director of the Company.

During the year, the Company settled $146,875 (2015 - $140,000) of accounts payable that were due to the officers and companies owned by non-executive directors through the issuance of share capital.

During the year, officers, directors and close family members subscribed to an aggregate of 2,841,250 units (2015 – 817,577 shares) issued by the Company pursuant to equity financings for aggregate subscription proceeds of $466,100 (2015 - $286,152).

Outstanding Share Data

At March 31, 2016 the Corporation had 93,120,273 common shares issued and outstanding.

On June 21, 2016 the Company completed a bought deal financing and issued 25,000,000 units at a price of $0.23 per unit, for aggregate gross proceeds of $5,750,000.

At July 29, 2016 the Corporation had 118,120,273 common shares issued and outstanding.

At March 31, 2016 and July 29, 2016 the Corporation had 9,210,000 stock options outstanding of which; 1,000,000 were granted to directors and officers having an exercise price of $0.10 per share and expire on December 13, 2020; 420,000 were granted to directors, officers and an employee having an exercise price of $0.20 per share and expire on May 18, 2022, 1,195,000 were granted officers, directors, employees and consultants having an exercise price of $0.20 per share and expire on May 16, 2023; 795,000 were granted to officers, directors, employees and consultants having an exercise price of $0.25 per share and expire on October 7, 2023; 700,000 were granted to directors, officers and consultants having an exercise price of $0.43 per share and expire on May 30, 2024; 50,000 were granted to an investor relations consultant having an exercise price of $0.44 per share and expire on June 9, 2019; 650,000 were granted to officers, directors and employees having an exercise price of $0.40 per share and expire on November 3, 2024; 385,000 were granted officers, directors and consultants having an exercise price of $0.21 per share and expire on June 1, 2025; and 4,015,000 were granted to officers, directors and employees having an exercise price of $0.17 per share and expire on December 22, 2025.

At March 31, 2016 the Corporation had 19,786,750 warrants outstanding of which; 30,000 have an exercise price of $0.30 per share and expire on June 19, 2016; 3,125,000 have an exercise price of $0.30 per share and expire on December 19, 2016; 381,750 have an exercise price of $0.24 per share and expire on December 22, 2017; and 16,250,000 have an exercise price of $0.24 per share and expire on December 22, 2018.

During June 2016, 30,000 warrants expired unexercised. Pursuant to the June 2016 bought deal financing the Corporation issued 12,500,000 warrants having an exercise price of $0.39 per share and expiring on June 21, 2018 and issued to the underwriters 1,500,000 broker warrants ("Broker Warrants"). The Broker Warrants entitle the underwriters to purchase 1,500,000 units, comprised of one common share and one-half of one warrant, at a price of $0.23 per unit until June 21, 2018. Each full warrant shall entitle the holder to acquire one common share at an exercise price of $0.39 per share at any time on or before June 21, 201

If all stock options and warrants were exercised, the number of common shares of the Corporation outstanding at March 31, 2016 would be 122,117,023 and at July 29, 2016 would be 161,837,023.

Risks and Uncertainties

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Corporation.

Going concern

The Corporation's ability to continue as a going concern is dependent on its ability to successfully identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. The Corporation will actively seek financing from time to time to finance its operations; however, the availability, amount and timing of this financing is not certain at this time.

Capital Requirements, Liquidity and Dilution to Shareholders

Additional funds for the establishment of the Corporation's current and planned mining operations will be required. No assurances can be given that the Corporation 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, revenues, taxes, transportation costs, 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 Corporation 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 Corporation or at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Limited Operating History

The Corporation is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Corporation was incorporated on June 14, 2010 and has yet to generate a profit from its activities. The Corporation 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 Corporation anticipates that it may take several years to achieve positive cash flow from operations.

Competition

The Corporation will compete with many exploration companies that may have substantially greater financial and technical resources than the Corporation, as well as, for the recruitment and retention of qualified personnel.

Reliance on Key Individuals

The Corporation's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

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 Corporation cannot give an assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Oceanus does not have title to its exploration properties could cause the Corporation to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Other Information

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