Background

This Management Discussion and Analysis (MD&A) of Oceanus Resources Corporation ("Oceanus" or "the Corporation") is dated February 28, 2017 and provides an analysis of the financial operating results for the nine months ended December 31, 2016 and December 31, 2015. This MD&A should be read in conjunction with the unaudited interim financial statements for the nine month periods ended December 31, 2016 and December 31, 2015 and the audited financial statements and accompanying notes for the year ended March 31, 2016, 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 and head 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 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 was a party to three option agreements under which it could 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 consisted of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitled 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 Corporation 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.

On September 12, 2016 the Corporation completed a non-brokered private placement financing and issued 7,000,000 shares at $0.25 per share for gross proceeds of $1.75 million.

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 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.

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 intercepts 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.

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.

True width has not been calculated for the above intercepts, but is generally estimated at 75-90% of drilled width. The gold equivalent ratio is based on a gold-to-silver price ratio of 75:1.

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 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.

Assay results to date from this drilling program are included in press releases dated September 14, 2016, October 18, 2016 and December 14, 2016. These drill results continue to exhibit wide oxidized zones of precious-metals mineralization that outcrop at surface.

Highlight results include the following:

- Hole ET-16-083 – 121.1 meters of 1.38 g/t gold equivalent consisting of 1.02 g/t gold and 27.0 g/t silver
- Hole ET-16-085 – 89.7 meters of 1.02 g/t gold equivalent consisting of 0.62 g/t gold and 30.3 g/t silver
- Hole ET-16-092 – 95.6 meters of 1.35 g/t gold equivalent consisting of 1.17 g/t gold and 13.2 g/t silver
- Hole ET-16-096 – 74.2 meters of 0.96 g/t gold equivalent consisting of 0.80 g/t gold and 11.6 g/t silver
- Hole ET-16-108 – 110 meters of 0.79 g/t gold equivalent consisting of 0.6 g/t gold and 14.5 g/t silver
- Hole ET-16-109 – 20.4 meters of 3.23 g/t gold equivalent consisting of 0.4 g/t gold and 212 g/t silver

The true width has not been calculated for the intercepts, but is generally estimated at 75-90% of drilled width. Drill assays were composited by length-weighted averaging into intersections using a 0.2 g/t gold equivalent cut-off grade. The gold equivalent ratio is based on a gold-to-silver price ratio of 75:1.

El Tigre In-Situ Mineral Resources (2013)

Hard Rock Consulting, LLC of Lakewood, Colorado ("HRC") completed a NI 43-101 report, in accordance with the Canadian Securities Administrators National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects, 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

On March 13, 2013, the Corporation completed the acquisition of all of the issued and outstanding securities of Lunar Gold Holdings Incorporated ("LGH"), a Canadian company, by way of security exchange. LGH and LGH's wholly owned Canadian subsidiary, LGHI Holdings Incorporated, together own 100% of Minera Pueblo de Oro S.A. de C.V., a Mexican company, ("MPO"). MPO was a party to three option agreements under which it could earn a 100% interest in a total of 12 mining concession titles, collectively known as the La Lajita Property covering approximately 3,200 hectares in Durango State, Mexico.

The Corporation completed a geophysics program, various mapping and sampling programs and three diamond drill programs over the time it held the La Lajita Property under option. The diamond drilling intersected high-grade gold and silver mineralization at both the Santo Nino and Dos Hermanos prospects.

During fiscal 2017 management attempted to negotiate amended option payment terms acceptable to the Company, however, during the second quarter 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 of $8,131,183 was recorded in the second quarter of fiscal 2017 for the full amount of the La Lajita resource property.

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 nine month period ended December 31, 2016.

Selected Financial Information

Oceanus' consolidated net loss was $9,634,864 ($0.09 per share) for the nine month period ended December 31, 2016 and $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. The loss for the nine month period includes an impairment charge of $8,131,183 ($0.07 per share) for the write-down of the La Lajita Property, non-cash stock-based compensation expense of $357,000 and resource property amounts associated with the termination of the La Lajita Property in the amount of $280,117 that were expensed during the period.

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

	Nine months ended December 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	$ 9,634,864	$ 1 ,833,549	$ 1,372,574	$ 1,910,207
Total assets	$ 15,214,052	$ 18,350,462	$ 8,088,225	$ 5,815,527
Working capital (deficiency)	$ 2,003,904	$ (789,054)	$ 341,534	$ 1,249,637
Loans payable	$ -	$ 1,364,807	$ -	$ -
Shareholder equity	$ 13,921,095	$ 16,337,645	$ 7,685,348	$ 5,639,267
Loss per share	$ 0.09	$ 0.03	$ 0.03	$ 0.05

Results of Operations – Three Months Ended December 31, 2016

For the three month period ended December 31, 2016 the Corporation incurred a net loss of $1,024,253 compared to a net loss of $844,936 for the three month period ended December 31, 2015.

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

	3 months ended December 31, 2016	3 months ended December 31, 2015
Consulting fees	$ 101,702	$ 57,500
Dues and fees	$ 39,594	$ 34,412
Foreign exchange loss	$ 6,755	$ 56,351
Insurance	$ 13,000	$ 20,620
Interest expense	$ 14,840	$ 16,191
Office and other	$ 51,705	$ 16,125
Professional fees	$ 44,607	$ 20,854
Resource property expenditures	$ 280,117	$ -
Shareholder communication	$ 55,606	$ 3,354
Stock-based compensation	$ 357,000	$ 481,000
Travel	$ 50,311	$ 11,936
Wages and benefits	$ 15,832	$ 127,589
Total operating expenses	**$ 1,031,069**	**$ 845,932**
Interest income	$ (6,816)	$ (996)
Net loss for the period	**$ 1,024,253**	**$ 844,936**

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For the three month period ended December 31, 2016 the Corporation incurred expenses associated with the termination of the La Lajita option agreement of $280,117.

For the three month period ended December 31, 2016 the Corporation incurred shareholder communicate costs of $55,606 and travel costs of $50,311 compared to $3,354 and $11,936 respectively in the prior year comparable period. The higher costs in the current year period were attributable to an increased communications program including attendance at the New Orleans Investment Conference, the London Precious Metals Summit and the Zurich Precious Metals Summit.

For the three month period ended December 31, 2016 the Corporation recorded non-cash stock-based compensation expense of $357,000 compared to $481,000 for the prior year comparable period. The number of stock options granted during the current year period was 2,600,000 (exercise price of $0.23 per share) compared to 4,015,000 during the prior year period (exercise price of 0.17). In determining the stock-based compensation expense, the fair value of stock options issued is estimated using the Black-Scholes option pricing model.

For the three month period ended December 31, 2016 the Corporation incurred wages and benefits of $15,832 compared to $127,589 in the prior year comparable period. The wage expense in the prior year period includes $120,000 of one-time change of control payments relating to the El Tigre acquisition.

Results of Operations – Nine Months Ended December 31, 2016

For the nine month period ended December 31, 2016 the Corporation incurred a net loss of $9,634,864 compared to a net loss of $1,358,591 for the nine month period ended December 31, 2015.

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

	9 months ended December 31, 2016	**9 months ended December 31, 2015**
Consulting fees	$ 268,685	$ 284,745
Dues and fees	$ 75,030	$ 44,327
Foreign exchange loss	$ 28,138	$ 75,406
Insurance	$ 17,750	$ 45,220
Interest expense	$ 76,567	$ 16,191
Office and other	$ 98,181	$ 29,132
Professional fees	$ 87,117	$ 130,089
Resource property expenditures	$ 280,117	$ -
Shareholder communication	$ 99,600	$ 14,812
Stock-based compensation	$ 357,000	$ 533,000
Travel	$ 83,429	$ 34,704
Wages and benefits	$ 41,666	$ 154,354
Write-down of mineral properties	$ 8,131,183	$ -
Total operating expenses	**$ 9,644,463**	**$ 1,361,980**
Interest income	$ (9,599)	$ (3,389)
Net loss for the period	**$ 9,634,864**	**$ 1,358,591**

For the nine month period ended December 31, 2016 the Corporation incurred an impairment charge of $8,131,183 for the write-down of the La Lajita Property as a result of the decision being taken to terminate the option agreement.

For the nine month period ended December 31, 2016 the Corporation incurred a net foreign exchange loss of $28,138 compared to a net foreign exchange loss of $75,406 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 nine month period ended December 31, 2016 the Corporation incurred interest expense on loans payable of $76,567 compared to $16,191 in the prior year comparable period. At the date of closing the El Tigre Transaction (November 13, 2015) four former directors of El Tigre Silver Corp. were owed a total amount of $1,317,921. The loans were paid in full including accrued interest during the third quarter ended December 31, 2016. The current year period thus includes 7 ½ months of interest expense compared to 1 ½ months in the prior year period.

For the nine month period ended December 31, 2016 the Corporation incurred shareholder communicate costs of $99,600 and travel costs of $83,429 compared to $14,812 and $34,704 respectively in the prior year comparable period. The higher costs in the current year period were attributable to an increased communications program including attendance by management at several resource investment conferences.

For the nine month period ended December 31, 2016 the Corporation recorded non-cash stock-based compensation expense of $357,000 compared to $533,000 for the prior year comparable period. The number of stock options granted during the current year period was 2,600,000 (exercise price of $0.23 per share) compared to 4,400,000 during the prior year period (weighted average exercise price of 0.174). In determining the stock-based compensation expense, the fair value of stock options issued is estimated using the Black-Scholes option pricing model.

For the nine month period ended December 31, 2016 the Corporation incurred wages and benefits of $41,666 compared to $154,354 in the prior year comparable period. The wage expense in the prior year period includes $120,000 of one-time change of control payments relating to the El Tigre acquisition.

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
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
June 30, 2016	Nil	$215,908	$23,311,245	$3,510,656	$21,136,837	$0.002
September 30, 2016	Nil	$8,394,703	$16,577,503	$3,990,145	$14,406,654	$0.07
December 31, 2016	Nil	$1,024,253	$15,214,052	$2,003,904	$13,921,095	$0.01

Liquidity and Capital Resources

As at December 31, 2016 the Corporation reported cash and cash equivalents of $2,874,588, total current assets of $3,296,861 and working capital of $2,003,904.

During the third quarter the Corporation made cash payments aggregating $1,441,375 to settle in full the outstanding loans payable, including accrued interest. These loans were due to four former directors of El Tigre Silver Corp. for advances made to El Tigre Silver Corp. prior to the completion of the Arrangement Agreement.

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. Readers 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 nine month period ended December 31, 2016 by a company owned by a non-executive director of the Corporation. The cost of these consulting services during the period was $56,250 (December 31, 2015 - $48,000). The Corporation recorded these costs to resource properties.

During the nine month period ended December 31, 2016, officers, directors and close family members subscribed to an aggregate of 434,782 units (December 31, 2015 – 2,841,250 units) issued by the Corporation pursuant to equity financings for aggregate subscription proceeds of $100,000 (December 31, 2015 - $466,100).

Disclosure for Venture Issuers without Significant Revenue

During the nine month periods ended December 31, 2016 and December 31, 2015, the Corporation incurred expenses related to the following:

	9 months ended December 31, 2016	**9 months ended December 31, 2015**
Capitalized exploration costs	$ 2,921,675	$ 322,951
Capitalized acquisition costs	$ -	$ 8,745,135
Operating expenses excluding write-down of resource properties and resource property amounts expensed	$ 1,233,163	$ 1,361,980
Write-down of resource properties and resource property amounts expensed	$ 8,411,300	$ -

Outstanding Share Data

At December 31, 2016 and February 28, 2017 the Corporation had 125,267,773 common shares issued and outstanding.

At December 31, 2016 the Corporation had 11,600,000 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, 1,170,000 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; 650,000 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; 575,000 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; 3,955,000 were granted to officers, directors and employees having an exercise price of $0.17 per share and expire on December 22, 2025; and 2,600,000 were granted to officers, directors and employees having an exercise price of $0.25 per share and expire on October 31, 2026.

Subsequent to December 31, 2016, 125,000 stock options were granted to two directors. The stock options have an exercise price of $0.23 per share and expire on January 18, 2027.

At December 31, 2016 the Corporation had 29,044,250 warrants outstanding of which; 381,750 have an exercise price of $0.24 per share and expire on December 22, 2017; 16,162,500 have an exercise price of $0.24 per share and expire on December 22, 2018; and 12,500,000 have an exercise price of $0.39 per share and expire on June 21, 2018.

Pursuant to the June 2016 bought deal financing the Corporation 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, 2018.

If all stock options, warrants and Broker Warrants were exercised, the number of common shares of the Corporation outstanding at December 31, 2016 would be 168,162,023 and at February 28, 2017 would be 168,287,023.

Risk Factors

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 explore for minerals on and develop a mineral resource property. 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.

Mineral Exploration, Development and Operating Risks

The business of mineral exploration and development is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. The La Lajita Property is in the exploration and development stage, and there is no assurance that exploration efforts will be successful or that expenditures to be made by the Corporation will result in discoveries of commercial quantities of minerals or profitable commercial mining operations. Resource acquisition, exploration, development, and operation involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines. Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices, which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Corporation will result in the establishment or expansion of resources or reserves. The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration and development of mineral resource properties, including hazards relating to the discharge of pollutants or hazardous chemicals, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, seismic activity, fire, explosions and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Corporation. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon 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 any 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.

Limited Operating History

The Corporation has no history of an operating 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 will take several years to achieve any cash flow from operations.

Capital Requirements, Liquidity and Risks to Shareholders

Additional funds for the establishment of the Corporation's current and planned exploration and development 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. 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.

Trading Price and Volatility of the Common Shares

The market price of the common shares experiences fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Corporation. It may be anticipated that any market for the common shares will be subject to market trends generally, and the value of the common shares on the TSXV or such other stock exchange as the common shares may be listed from time to time, may be negatively affected by such volatility.

Global Financial Volatility

Global financial conditions are volatile from time to time. Global economic volatility may impact domestic markets and the ability of the Corporation to obtain equity or debt financing to continue its operations and, if obtained, on terms favourable to the Corporation. Market volatility and turmoil could adversely impact the Corporation's operations and the value and the trading price of the Corporation's common shares.

Commodity Prices

Factors beyond the control of the Corporation may affect the marketability and price of minerals discovered, if any. Commodity and metal prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Corporation, including international, economic and political trends, market intervention by state actors, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted. Periods of depressed metal prices may negatively affect the ability of the Corporation to obtain required financing, and have a material adverse effect on the Corporation.

Foreign Operations

The Corporation's principal assets are located in Mexico and the Corporation's operations are therefore subject to Mexican federal and state laws and regulations. The risks normally associated with the conduct of business in foreign countries include various levels of political, regulatory, economic, social and other risks and uncertainties. Such risks may include, but are not limited to: local economic instability, high rates of inflation, emerging resource nationalism, restrictions on foreign ownership and activities, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, limitations on repatriation of earnings or other currency controls, limitations on commodity exports, labour unrest, invalidation of governmental orders and permits, corruption, sovereign risk, war (including neighbouring states), military repression, civil disturbances, terrorist activity, hostage taking, unanticipated changes in laws or policies, the failure of foreign parties to honour contractual relations, foreign taxation, delays or inability to obtain necessary governmental permits, and opposition to mining from environmental or other non-governmental organizations.

The Corporation believes the attitude of the current Mexican government toward mineral resource development activities and foreign investment to be favourable, however, any deterioration in economic conditions or other factors could result in a change in government policies at either the national or state level. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could limit or curtail the Corporation's activities.

Mexico's legal and regulatory requirements in connection with companies conducting mineral exploration and mining activities, banking system and controls as well as local business culture and practices are, in particular, different from those in Canada. While the Corporation believes its exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, the officers and directors of the Corporation must rely, to a great extent, on the Corporation's Mexican legal counsel and local consultants retained by the Corporation in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Corporation's operations. The Corporation also relies, to some extent, on those members of management and directors of the Corporation who have previous experience working and conducting business in Mexico in order to enhance its understanding of and appreciation for the local business culture and practices in Mexico. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Mexico are beyond the control of the Corporation and may adversely affect its business.

Limited Market for Securities

The Common Shares are currently listed on the TSXV, however there can be no assurance that an active and liquid market for the Common Shares will be maintained and an investor may find it difficult to resell securities of the Corporation.

Conflicts of Interest

Certain directors and officers of the Corporation are or may become associated with other mineral resource exploration companies which may give rise to conflicts of interest. In accordance with applicable Canadian corporate law, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Corporation. Certain of the directors and officers of the Corporation have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

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.

Infrastructure

Mineral resource development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Corporation and its operations.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. At any time, the Corporation is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Corporation is unable to resolve these disputes favourably, it could have a material adverse effect on the Corporation and its financial position, operations or development.

Safety and Security

The Corporation's property interests are located in the central portion of the Sierra Madre Occidental province, Mexico. Criminal activities in the region, or the perception that activities are likely, may disrupt the Corporation's operations, hamper the Corporation's ability to hire and keep qualified personnel and impair the Corporation's access to sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of the Corporation's or personal assets. These risks may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Corporation to shut down operations, all of which may expose the Corporation to costs as well as potential liability. Such events could have a material adverse impact on the Corporation and make it more difficult for the Corporation to obtain required financing. Although the Corporation actively attempts to mitigate such risks, there is no assurance that the Corporation's efforts will be effective in safeguarding personnel and the Corporation's property effectively.

Other Information

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