RIZAL RESOURCES CORPORATION

(formerly Cadan Resources Corporation)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2017 and 2016

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations has been prepared as at May 27, 2017 and should be read in conjunction with Rizal Resources Corporation's (the "Company" or "Rizal") condensed consolidated financial statements for the periods ended March 31, 2017 and 2016, and the audited financial statements for the year ended December 31, 2016. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements of the Company are presented on a consolidated basis with the Company's 40% owned Philippine affiliates, Batoto Resources Corporation ("BRC") and TMC Tribal Mining Corporation ("TMC") and a wholly owned subsidiary, Tribal Processing Corporation, (collectively, the "Philippine Companies") and wholly owned subsidiaries, Esperanza Capital Corp; Sabena Limited and its subsidiaries (Australian companies); Tribal Holdings Inc., Batoto Holdings Inc. and Philco Holdings Inc. (Canadian companies), in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein, and in this MD&A, are reported in Canadian dollars.

The Company is a reporting issuer in the provinces of British Columbia and Alberta in Canada, and is listed on the TSX Venture Exchange under the trading symbol RZL.

To assist shareholders and potential investors to learn more about Rizal and its mineral projects, the Company maintains a website that provides information regarding its Philippine gold-silver and gold stockworks, and porphyry skarn copper-gold and gold projects. Readers are encouraged to visit the site at www.RizalResources.com as well as review the Company's press releases and other public filings available on SEDAR (www.sedar.com).

1. Forward Looking Statements

Certain information included in this MD&A, including management's assessment of the Company's future plans, constitutes forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law.

2. Disclosure of Technical Information on Mineral Projects

References in this MD&A to mineral resources are estimates prepared pursuant to the requirements of National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("NI 43-101") as in effect on the date of the estimates. The definitions of the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in, and are required to be disclosed by, NI 43-101.

Technical aspects of this MD&A were approved by Howard Lahti, BSc Geology, MSc Geochemistry, PhD Litho-Geochemistry, Registered Professional Geoscientist of New Brunswick, who is a Qualified Person as defined by NI 43-101.

3. Company Overview

The Company is engaged in mine development and exploration at its T'Boli gold mine and exploration of precious and base metals at its other project areas located in the Philippines. Its immediate corporate objective is to bring the T'Boli mine into profitable production and provide, from cash flow, an adequate budget for the systematic exploration of its other project areas.

The Company's management and resources are currently focused on development, and exploration activities at the T'Boli gold-silver mine which is located in south-central Mindanao, Philippines. The project's development activities include underground mine development, diamond drilling, mineralized rock production from development and stoping and processing of mineralized rock produced through the Company's facility at T'Boli. Surface exploration at the Batoto-Tarale gold prospect, located in East Mindanao, remains at minimum levels of expenditure and there has been no expenditure required at the Comval project which is subject to the commercial arrangement with Metallum Limited (ASX: MNE) ("Metallum").

4. Directors & Management

Mr. Peter Main	Director, President / Chief Executive Officer
Mr. Neil Grimes	Non-Executive Chairman
Mr. Steve Woods	Director
Mr. Ryan Sander	Director
Ms. Richelle L. Singson Michael	Director
Mr. Derick Sinclair, CPA, CA	Chief Financial Officer

5. Corporate Activity

Rizal is very close to completing the rebuild of the company and its T'Boli project, the ramp up toward producing at 200t per day has commenced. Once the project rebuild is complete, Rizal will turn its focus to repairing the balance sheet. The main objective in the March quarter 2017 was to see Rizal's T'Boli project begin to realize its true potential and commence production and consequently start generating cashflow. During the period ended 31 March 2017, Rizal borrowed an additional US$189,750 (Cdn$252,557) on behalf of TMC and received loan of AU$20,000 (CDN $20,556) from a third party. The Company continues to work toward restructuring the balance sheet and ensuring Rizal is appropriately funded. Rizal has continued to advance its T'Boli operation over the last year albeit at slow pace due to financial constraints. Key milestones achieved year to date in 2017:

- Almost completed 2.5 year corporate and operational rebuild;
- Rizal provided clarification on its previous disclosure as a result of a technical disclosure review by the British Columbia Securities Commission ("BCSC"). The BCSC advised the Company that certain technical disclosure regarding production and development at the T'Boli project, including in its previous news releases, Management's Discussion and Analyses and website (collectively, the "Technical Disclosure"), contained information that was not in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). In particular the BCSC noted that the Company's disclosure included references to the terms ore, development, revised or detailed mine plan, economically viable reserve and similar references in connection with the Company's discussion of its current and proposed production plans and activities. Such references are typically supported by a technical report on the results of a preliminary economic assessment, pre-feasibility study or feasibility study, prepared in accordance with NI 43-101. The Company is currently working to obtain an independent technical report on a preliminary economic assessment ("PEA") of the T'Boli project. Until such a technical report is available, past references in the Company's disclosure to "detailed mine plan" or "revised mine plan" and "economically viable reserve" and similar statements are hereby retracted and should not be relied upon.
- The Company advises that the T'Boli project has an inferred mineral resource but at this stage has no mineral reserves. Readers are cautioned that production in the absence of a feasibility study of mineral reserves demonstrating economic and technical viability is associated with an increased risk of failure of the mining operation due to increased uncertainty of results. Readers are further advised not to rely on the elements of a preliminary economic assessment disclosed in the technical report entitled *Technical Report on the T'Boli Gold and Silver Project, South Cotabato, Mindanao, Philippines* filed March 12, 2013.

6. Direction

Since the granting of the Declaration of Mining Project Feasibility ("DMPF") by the Philippine government, on October 10, 2012, the Company has advanced capital mine development, on-lode strike development, diamond drilling and establishment of stooping operations, utilizing small scale narrow vein mining methods.

However, the Company was forced to change direction primarily due to a number of issues including funding, operations, balance sheet and management resulting in the T'Boli operation being put on care and maintenance in 2014. The focus over the last 2.5 years has been to get Rizal back on track. The new management team appointed in September 2014 took the hard decision to restructure the Company which included a plan to restructure and rebuild the T'Boli Project and follow with restructuring Rizal's balance sheet. This involved rebuilding trust and credibility with the T'Boli community and establishing relationships with the Mayor, the Governor and Congressman of the region.

Operationally, the focus during 2017, will continue on the primary objective of ramping up operations at T'Boli. Development of the first ore drives and preparation for stope development commenced in the fourth quarter of

2016 and flowed into the March quarter 2017. Going forward into 2017 the primary goal is to progressively ramp up production at the T'Boli project toward achieving the plant design of 200 tonnes per day (72,000 tpa).Once the T'Boli operation is running at Stage 1 design, planning and implementation of the restructuring of the balance sheet will commence.

7. Mineral Properties

The Company's material mineral properties are the T'Boli gold-silver deposit, the Batoto-Tarale gold prospect and its 20% interest in the Comval copper-gold deposits, all located on the Island of Mindanao in the Philippines. Currently, the Company's main focus is progressing the T'Boli epithermal gold-silver project towards full production.

T'Boli Gold-Silver Project

The T'Boli project is situated approximately 130 km southwest of Davao City, and 40 km west-northwest of General Santos City, in the Province of South Cotabato, Mindanao Island, Republic of the Philippines at 6.13' N latitude & 124.49' W longitude. TMC is the legal owner of licences covering the T'Boli project, and the Company holds rights in the project pursuant to a mineral processing option agreement with TMC under which it has an exclusive right to process mineralized rock from the TMC mineral areas consisting of 84.98 hectares MPSA No. 090-97-X1 and 2,908.24 hectares APSA No. 51-X1.

The T'Boli project consists of a historical underground mine, a new processing plant, accommodation complex and an assay laboratory constructed by the Company. Work on the project, by the Company, has included the rehabilitation of an underground mining tunnel known as the Beehive Adit and development of a new decline to access mineralized material on horizons below the historical adit. Prior to shutting the mine, only a small portion of the north vein systems had been developed. Decline development had advanced toward the South Vein's Golden Beam lode and the first cross cut had been developed into the vein. The whole mining operation was suspended in July 2014 and consequently flooded to prevent access to the mine. The mine remained closed for the whole of 2015 year. Rizal recommenced work on the mine early in 2016 and began accessing mineralized material late in 2016

Mine Activity for the March 2017 quarter

- During January 2017 engaged Australian mining consultant Premium Mining Personnel (PMP) to provide advice and training to the Philippine Nationals on the development and production from the mine. The main objective for hiring PMP was to lift the production rates and improve the safety and operating standards in the mine.
- At the end of the March quarter 2017 development of the new "Minion" decline has achieved a total driven distance of 1,045 metres. This includes total decline, cross cuts and drive development of 437 metres, 180 metres and 250 metres, respectively. Total decline depth to date is 50metres below the access portal entrance.
- In the process of development to date in FY2017, a total of 6,367 tonnes of mineralized material' from drive development and stoping has been brought to surface and delivered to the mill. The development material is the primary source of material being treated during the mill commissioning phase, which commenced in February.
- The T'boli plant was recommissioned in February 2017, a total of 3,587 tonnes on mineralized material was treated during the quarter. The rate of commissioning was slowed due to some mechanical issues primarily due to the crushing circuit. By the end of March most of those issues had been resolved.
- A scheduled shut for May was planned to fix the outstanding issues which included the replacement of the ball mill liners and the installation of a new crusher. Its expected the shutdown will be between 15 and 20 days in May.
- As of the end of March 2017 quarter gold produced was 18.16oz, by the end of April the plant had produced a total of 5,681 ozs.

PRODUCTION AND SALES SUMMARY

Metal sales for the quarter ended March 31, 2017.

PRODUCTION AND SALES SUMMARY - GOLD

March 2017 Quarter

	Grams	oz.	Tons Milled	Ave. grade (grams/ton)	Total Proceeds	
					PHP	CDN($)
January	-	-	-	-	-	-
February	-	-	1,469.89	1.01	-	-
March	564.80	18.16	2,116.90	1.35	1,099,800.00	29,231.42
Total, 2016	**564.80**	**18.16**	**3,586.79**	**1.21**	**1,099,800.00**	**29,231.42**

PRODUCTION AND SALES SUMMARY - GOLD

For the year 2017

	Grams	oz.	Tons Milled	Ave. grade (grams/ton)	Total Proceeds	
					PHP	CDN($)
January	-	-	-	-	-	-
February	-	-	1,469.89	1.01	-	-
March	564.80	18.16	2,116.90	1.35	1,099,800.00	29,231.42
April	5,116.57	164.50	2,780.00	1.32	10,121,339.58	277,313.69
Total, 2016	**5,681.37**	**182.66**	**6,366.79**	**1.26**	**11,221,139.58**	**306,545.11**

Metal sales in Philippine Pesos and converted to Canadian dollars for the period ended March 31, 2017:

The Batoto Gold Prospect

The Batoto prospect is situated approximately 90 km northeast of Davao City, in the Compostela Valley, East Mindanao, Philippines and is contiguous with the Comval project. The mining and exploration permits for Batoto are held by BRC.

The Project, consisting of APSA No. 246 of 648 hectares & EPA 000109-X1 of 4,018.19 hectares, is a stockwork of quartz veins associated with locally intense quartz pyrite-sericite-argillic alteration cropping out around the spur of a mountain ridge between elevations 400m and 800m above sea level. Gold mineralization occurs within a west-southwest trending zone known as the Clark Mineralized Zone ("CMZ"). Workings of artisanal miners within the CMZ are exposed over about 1km in a west-southwesterly direction from the northeastern point of the spur, but the mineralization may extend a further 1km to the west-southwest and link with the Santa Fe gold prospect.

Identified in 1980 by Sabena Mining Corporation, it was explored by 787 rock chip samples from some 7,000m of road cuts, systematic trenches and 400m of adits, drifts and cross cuts, reportedly averaging 1.6g/t Au and giving rise to a number of historic estimates. In 1981, one estimate by FC Gervasio & Associates, geological consultants, amounted to 39 million tonnes at 1.8g/t Au, for 2.1 million ounces of gold, based on 3,945m of trenching, 232m from adits, 328m of diamond drilling, and 2,600m of access road construction and pit development.

It should also be noted that the foregoing historic estimate was not prepared in accordance with CIM standards. Further, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. The Company is not treating the historical estimate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of NI 43-101, and the historical estimate should not be relied upon. The foregoing historical estimate provides only an indication to the Company of mineralization potential.

In 1981, Sabena Mining Corporation constructed a 500tpd gold processing plant and mined and processed approximately 80,000t from a small open cut on the Batoto prospect. These historical assays have not been verified and are not NI 43-101 compliant. There is no records available to establish whether there was any production from the processing plant.

The last drilling completed at Batoto was in 2012/2013 and advanced to a stage where interpretation identified a number of discrete higher grade flat plunging zones within the overall stockwork system. However, since that time a lack of available capital has resulted in further exploration at the prospect being put on hold.

Comval Copper-Gold Project 20% Rizal via Agusan Metals Corporation ("Agusan")

On January 17, 2012, the Company completed the sale of 80% of the Company's interest in Agusan to Metallum. The Company retains a 20% equity interest in Agusan, which holds the exploration permits on the Comval copper-gold project located in the Compostela Valley, East Mindanao, Philippines and is contiguous with the Batoto project. The Project consists of EP No. 00001-XI & EP No. 00002-XI, totaling 4,314.14 hectares.

Pursuant to a shareholders' agreement, Metallum has an obligation to fund AU $48,000,000 in exploration activity in Agusan as follows:

Exploration Expenditures	Annual amount (AU $)	Cumulative amount (AU $)
Year 1	5,000,000	nil
Year 2	5,000,000	nil
Year 3	5,000,000	15,000,000
Year 4	15,000,000	30,000,000
Year 5	18,000,000	48,000,000

The annual amounts in the table above was the expected schedule of expenditures; the cumulative amount is the funding requirement schedule. Should Metallum not meet the funding requirements, the agreement contains dilution provisions.

Metallum announced in its 2014, 2015 and 2016 Annual Reports that it had carried out no field work on the Comval Project. Rizal is evaluating its options under the agreement with respect to:

1. Metallum's failure to meet its spending requirements in years 3,4 and 5;
2. Metallum's steady decline in spending on the project; and
3. Metallum announcement in their 2014, 2015 and 2016 Annual Reports of their change in focus away from the Comval copper gold project in the Philippines.

Metallum had previously announced a Joint Ore Reserves Committee ("JORC") compliant 'Inferred Resource' prepared by independent consulting firm Cube Consulting Pty Ltd of 32,675,000 tonnes at 0.42% Cu and 0.13 g/t Au including four (4) prospects; Maangob, Kalamatan, Tagpura West and Tagpura East (see Metallum Australian Stock Exchange release dated October 10, 2012). Rizal subsequently commissioned the same independent consultants to prepare a National Instrument 43-101 technical report, which stated the same Inferred

Resource of 32,675,000 tonnes at 0.42% Cu and 0.13 g/t Au over the same area (see Company news release dated March 18, 2013).

This estimate was calculated using a lower cutoff grade of 0.3% Cu and prepared in separate technical reports in accordance with the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves" and "CIM Standards of Disclosure for Mineral Resources and Mineral Reserves 2010", the latter of which was filed on SEDAR as a NI 43-101 technical report on April 3, 2013.

Metallum exploration has included outcrop sampling, underground adit sampling, trench sampling, diamond drilling and mapping. The results are published on the Metallum website, including quoted high-grade intercepts of gold and broad porphyry style copper intercepts, which are considered to be encouraging.

Previous exploration has prioritized several new discoveries including the Taub, Tagpura North and Tandawan prospects. The Taub prospect is considered to be a gold bearing epithermal vein mapped and sampled over 300m along strike. The Tagpura North prospect is a copper-gold skarn with an approximate area of 500m by 300m and the Tandawan prospect, located 1km west of the Bayag Bayag prospect, is considered to be a gold bearing epithermal vein with 150m of strike and up to 7m in true width.

Rizal is currently getting advice and in discussions with Metallum re the actually ownership structure given Metallum's failure to meet its obligations over the term of the agreement. The JV agreement expired in January 2017. Rizal will update the market once it has resolved the matter.

Financial Data

The following selected financial information for the eight previous quarters is derived from the consolidated financial statements of the Company prepared in accordance with IFRS.

	Three Months Ended March 31, 2017	Three Months Ended December 2016	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016
Total assets	10,042	9,622	6,980	6,448
Working Capital (deficiency)	(20,222)	(17,967)	(16,480)	(15,539)
Net Income (loss)	(1,224)	(786)	(110)	(1,548)
Other Comprehensive Income (loss)	n/a	n/a	n/a	n/a
Basic earnings/(loss) per share	(0.01)	(0.00)	(0.00)	(0.01)
Diluted earnings/(loss) per share	n/a	n/a	n/a	n/a

	Three Months Ended March 31, 2016	Three Months Ended December, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015
Total assets	5,639	5,140	4,883	4,162
Working Capital (deficiency)	(15,789)	(13,565)	(12,607)	(15,227)
Net Income (loss)	(1,385)	(3,476)	(1,603)	(852)
Other Comprehensive Income (loss)	n/a	n/a	n/a	n/a
Basic earnings/(loss) per share	(0.01)	(0.05)	(0.02)	(0.04)
Diluted earnings/(loss) per share	n/a	n/a	n/a	n/a

Results of Operations, for the three months ended March 31, 2017, compared with the three months ended March 31, 2016.

For the three months ended March 31, 2017, the Company reported consolidated net loss of $1,223,893 (March 31, 2016 - $1,385,484) a favourable variance of $161,591. The favourable variance is primarily the result of incidental revenues from the processing of mineralized developmental material and tailings and reduced interest costs after settling debt in the prior year. Further explanations of the variances are detailed below.

Operating expenses favourable variance $1,094,134

- Bank Charges and interest $249,604 (March 31, 2016 - $500,416) a favourable variance of $250,812. Decrease is due to debt settlement by equity issuance in the prior period.
- Other operating costs $276,229 (March 31, 2016 – expense $344,212) a favourable variance of $67,983 primarily due to reduced administrative costs.
- Share based payments for the three-months ended March 31, 2017 $Nil (March 31, 2016 - $1,013,206) a favourable variance of $1,013,206 as a result of no stock options being granted during the period compared to prior period.

Partially offset by:

- Consulting fees $261,477 (March 31, 2016 - $248,703) an unfavourable variance of $12,774.
- Exploration and evaluation expense of $2,727 (March 31, 2016 – recovery of $10,830) an unfavourable variance of $13,557. The Company had determined that the T'Boli project had entered the development phase, resulting in a decrease in exploration expenses and an increase in development expenditures.
- Repairs and Maintenance $211,536 (March 31, 2016 - $Nil) an unfavourable variance of $211,536. During January 2016, the Company had determined that the T'Boli project had entered the development phase. The repairs and maintenance were for the T'Boli processing plant which produced the Incidental revenues described below.

Other items unfavourable variance $932,543

- Accretion of site reclamation liability of $3,671 (March 31, 2016 - $Nil) an unfavourable variance of $3,671.
- Foreign exchange losses of $245,936 (March 31, 2016 – gains of $710,223) an unfavourable variance of $956,159 resulting from the weakening of the Philippine peso and Canadian dollar against the US dollar during the period.

Partially offset by:

- Incidental revenues $26,322 (2015 - $Nil) from the processing of mineralized developmental material stockpiles and tailings. Prior period's incidental revenues were offset against exploration and evaluation expenses due to the T'Boli project being in exploration phase during the prior period.
- Deferred income tax expense of $965 (March 31, 2016 – expense $Nil), an unfavourable varianace of $965.

Liquidity and Capital Resources

At March 31, 2017, the Company had a working capital deficit of $20,222,408 (December 31, 2016 - $17,966,504), consisting of overdrawn cash of $126,757 (December 31, 2016 – cash of $418,163), amounts and advances receivable of $265,543 (December 31, 2016 - $259,279), prepaid expenses and other assets of $1,016,710 (2015 - $915,751), accounts payable and accrued liabilities, due within three months, of $7,490,105 (December 31, 2016 - $6,209,390), loans payable of $3,296,525 (December 31, 2016 - $3,142,681), convertible notes of $4,838,507 (December 31, 2016 - $4,740,666), and due to related parties of $5,847,307 (December 31, 2016 - $5,561,501).

Due to related parties are advances from Mighty River International Ltd. ("Mighty River"), a related party, being a company that owns over 10% of the issued and outstanding shares of Rizal. On May 2, 2013, the Company entered into an agreement with Mighty River. Mighty River agreed to provide the Company with up to a US$5 million loan facility. Amounts drawn bear interest at a rate of 8% per annum and were repayable in 12 months from the draw date. In connection with the loan agreement, Rizal provided Mighty River with security over all its assets and Rizal, Mighty River and Rizal's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US$1 million advanced to Rizal. On May 27, 2014, the Company and Mighty River amended the agreement extending the Final Maturity Date and Repayment Date to December 31, 2015. The Company reached an agreement with Mighty River to extend the maturity date of the note to September 30, 2016 and refinance $904,000 (US$800,000), being a portion of the amounts owed on the Credit Facility for interest and royalties and issued 18,080,000 units at $0.05 each with each unit consisting of a common share and a warrant to purchase a common share for 12 months at $0.10. On September 7, 2016, the Company reached an agreement with Mighty River to refinance $400,000 (US$307,500), being a portion of the amounts owed on the Credit Facility for interest and issued 8,000,000 units at $0.05 each with each unit consisting of a common share and a warrant to purchase a common share for one year at $0.10. The warrants are subject to an acceleration provision, in the event the closing price of the Corporation's common shares on the TSX Venture Exchange equals or exceeds $0.25 for a period of 15 consecutive trading days, the Corporation may accelerate the expiry date of the Warrants by giving notice to the holders thereof and the Warrants will thereafter expire on the date that is thirty days after the after the date of the notice to the holders. The Company is in advanced discussions, at the date of filing the MDA, on repayment terms with Mighty River Credit Facility that has matured as at March 31, 2017. At March 31, 2017, the Company had total principal, interest and royalties owing to Mighty River of $5,492,170 (US$4,142,706) (December 31, 2016 - $5,458,921 (US$4,142,706)).

On January 11, 2016 the Company entered into an agreement with Claymore Capital Pty Ltd. for a three-year US$6.4 million debt facility. Amounts drawn bear interest at a rate of 12%. The funds are to be provided in stages as follows: Stage 1 – US$600,000 within 6 weeks of signing the Binding Term Sheet. Completed February 24, 2016; Stage 2 – US$600,000 – confirmation of sustainable production at 200 tonnes per day (tpd). Completed March 18, 2016; Stage 3 – US$1.1m – subject to confirmation of planned increase in production to 400 tpd; Stage 4 – US$4.25m – subject to confirmation of maintainable production at 400 tpd. The funds will be used for working capital for both the corporate and mine operations, repayment of a portion of existing notes, Capital to expand the T'Boli project to 400 tpd and grow/develop the existing asset base. As at March 31, 2017, the Company had received US$2,300,000. Total principal and interest owing, recorded at fair value as at March 31, 2017, is US$2,001,156 (CDN$2,756,133) (December 31, 2016 - US $1,968,286 ($2,642,817).

The Company will require significant cash funding to conduct its exploration and development programs, meet its administrative overhead costs, repay the convertible notes, and maintain its resource interests over the next twelve months. This will require the Company to obtain additional financing. The Company invests surplus cash in guaranteed investment certificates with Bank of Montreal and faces no known liquidity issues.

Financial Instruments

The Company has classified its cash as fair value through profit or loss "FVTPL"; loan to Agusan, as available-for-sale "AFS"; amounts and advances receivable (excluding GST receivable), as loans and receivables; and accounts payable and accrued liabilities, loans payable, convertible notes and due to related parties, as other financial liabilities.

The carrying values of amounts and advances receivable (excluding GST receivable), accounts payable and accrued liabilities, approximate their fair values due to the short terms to maturity of these financial instruments. The loans payable have been valued using the effective interest rate method.

The carrying values of convertible notes were determined, in accordance with Level 2 of the fair value hierarchy, by discounting the face value of the notes over the terms of each note by a discount rate of 60%, and accreting the discount over the respective term to the anticipated conversion date of the notes.

During the year ended December 31, 2014, uncertainty around the collection schedule for the Agusan loan resulted from Metallum Limited ("Metallum") putting the project on care and maintenance status. Metallum continues to have the project on care and maintenance and as a result, at March 31, 2017, the carrying value of the loan to Agusan continues to be impaired to $nil, in accordance with Level 3 of the fair value hierarchy.

Credit risk

The Company is exposed to credit risk with respect to its cash. Cash has been placed on deposit with major Canadian and Philippine financial institutions. The risk arises from the non-performance of counterparties of contractual financial obligations.

The Company manages credit risk, in respect of cash, by maintaining deposits at major financial institutions with strong investment-grade ratings.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with only a few Canadian and Philippine financial institutions. The Company's concentration of credit risk and maximum exposure thereto, is as follows:

		March 31, 2017		December 31, 2016
Canadian dollar equivalent				
Australian dollar	$	1,032	$	164,768
Canadian dollar		264		7,319
Philippine peso		(128,053)		246,076
Total cash	$	(126,757)	$	418,163

The Company is also exposed to credit risk with respect to its amounts and advances receivable and loan to Agusan. The Company maintains an equity investment in Agusan and receives periodic financial information from Metallum and Agusan with respect to that investment. The Company actively monitors the financial status of Agusan and Metallum to minimize the credit risk related to this loan. Other amounts receivable relate to input tax credits and advances to suppliers.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on their estimated fair values as of March 31, 2017 and 2016. Future cash flows from interest income on cash are not expected to be material. The Company manages interest rate risk by investing in highly liquid investments with maturities of one year or less.

The Company's convertible notes, loans payable and due to related parties are at fixed rates of interest.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company is exposed to foreign currency risk with respect to cash, accounts payable and accrued liabilities, and amounts due to related parties, as a portion of these amounts are denominated in Philippine pesos, Australian dollars ("AU") and US dollars as follows:

		March 31, 2017		**December 31, 2016**
Canadian dollar equivalent				
Philippine Pesos				
Cash	$	(128,053)	$	246,076
Accounts payable and accrued liabilities		(4,565,293)		(3,641,516)
AU$				
Cash		1,032		164,768
Accounts payable and accrued liabilities		(1,416,030)		(1,289,585)
Loans payable (note 14)		(20,556)		-
Due to related parties (note 12)		(102,580)		(102,580)
Convertible notes (note 9)		(1,698,056)		(1,651,461)
US$				
Accounts payable and accrued liabilities		(540,266)		(479,373)
Loans payable (note 14)		(2,756,133)		(2,642,817)
Due to related parties (notes 10 & 12)		(5,744,727)		(5,458,921)
Net exposure				
Canadian dollar equivalent	$	(16,970,662)	$	(14,855,409)

The Company manages foreign currency risk by only holding funds in foreign currencies for short-term requirements. The Company has not entered into any foreign currency contracts and does not utilize derivatives to mitigate this risk.

A 1% fluctuation in the value of the Philippine peso, Australian dollar and US dollar at March 31, 2017 would result in a change to net loss and comprehensive loss of approximately $170,000

(December 31, 2016 - $149,000).

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Accounts payable are all due within thirty days and amounts due to related parties, excluding convertible notes due to related parties and amounts due under the credit facilities, are without specific terms of repayment; however, they are expected to be repaid within one year.

The Company will require significant cash funding to conduct its exploration programs, meet its administrative overhead costs, meet its repayment obligations, maintain its resource interests and bring its T'Boli gold processing operation to full production capacity. This will require the Company to obtain additional financing.

Financial Condition and Capital Resources

During the period ended March 31, 2017, the Company continued to provide financial support to the Philippine companies, in particular, its partially-owned affiliates, BRC in the Comval in eastern Mindanao and in T'Boli, in southwestern Mindanao.

At March 31, 2017, the working capital deficit was $20,222,408 (December 31, 2016 - $17,966,505), which includes the convertible notes of $4,838,507 (December 31, 2016 - $4,740,666), advances against the credit facility due to related parties $5,847,307 (December 31, 2016 - $5,561,501) and other loans of $3,296,525 (December 31, 2016 - $3,142,681).

Exploration and Evaluation

Through its subsidiaries and the Philippine affiliates, the Company has interests in certain permits and licences to explore and develop mineral properties located in the Philippines. At March 31, 2017, the Company had determined that the T'Boli project had entered the development phase. As such, acquisition costs were transferred to construction in process. As such, the exploration balance for the project is now $Nil (December 31, 2016 - $Nil). To date, the Company has spent, net of recoveries from metal sales, developing the Philippine properties as detailed below:

	Three months ended March 31,		2017	2016
	Batoto	TMC	Total	Total
Cumulative exploration and evaluation expenses				
Incurred during year				
Exploration	3,917	(1,190)	2,727	90,003
Mill Site	-	-	-	432,104
Exploration and evaluation expenses	**$ 3,917**	**$ (1,190)**	**$ 2,727**	**$ 522,107**
Recoveries from metal sales	**-**	**-**	**-**	**(532,937)**
Net exploration and evaluation expenses	**$ 3,917**	**$ (1,190)**	**$ 2,727**	**$ (10,830)**

In 2016, the Company commenced reporting recoveries from metal sales in the consolidated statements of comprehensive loss as incidental revenues rather than an offset to exploration and evaluation expenses as reported in 2015 in the table above.

Related Party Transactions and Balances

At December 31, 2016, the Company owed $6,758,337 (2016 - $6,359,514) to related parties, of which amounts owed to officers and directors included in accounts payable, are as follows:

	March 31, 2017	December 31, 2016
Officers and directors for:		
Consulting and directors fees	$783,752	$678,952
Reimburse expenses	15,667	7,450
Convertible notes	111,611	111,611
Due to related parties	5,847,307	5,561,501
	$6,758,337	$6,359,514

During the three months ended March 31, 2017 the Company owed a loan balance in the amount of AU$100,117 (CDN $102,580) to the CEO of the Company. The loan is unsecured, non-interest-bearing and has no fixed terms of repayment.

During the three months ended March 31, 2017 and 2016, the Company incurred key management compensation during the year, including the issuance of 3,000,000 shares in the prior period to its CEO in accordance with his contract. The shares were valued at $150,000, the trading price at the time of issue. The following table describes the key management compensation during the three months ended March 31, 2017 and 2016:

	March 31, 2017	March 31, 2016
Short-term benefits paid or accrued to personal service corporations	$ 105,000	$ 252,000
Short-term benefits paid directly	6,000	6,000
	$ 111,000	$ 258,000

Included in short-term benefits is $111,000 (March 31, 2016 - $108,000) expensed to consulting fees.

At March 31, 2017 the Company was committed to pay termination payments to officers of the Company, in the event of termination without cause, of between two and three years of annual salary. If all termination payments are triggered, the Company would be required to pay $1,092,000 (December 31, 2016 - $1,092,000).

Significant Accounting Policies and Estimates

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies have been applied consistently by the Company and its subsidiaries.

Non-controlling interest in the net assets of consolidated partially-owned Philippine companies are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

Investments in and Expenditures on Resource Properties

Once a permit or license to explore an area has been secured, acquisition costs are capitalized on a property-by-property basis. Exploration expenditures, related to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential, are expensed as incurred. Any incidental pre-production revenue is net against exploration and evaluation expenditures, until the property is in commercial production.

Management reviews the carrying value of capitalized costs at least annually. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mine development assets, which is a component of property, plant and equipment.

The Company considers a project to be in commercial production following a reasonable period of testing of the production processes, and when the mine and processing plant are in the location and condition necessary to operate at their anticipated full capacity.

Subsequent recovery of the carrying value of exploration and evaluation assets depends on successful development or sale of the undeveloped project. If a project does not prove viable, all capitalized costs associated with the project, net of any impairment provisions, are written off.

Retirement Benefit Obligation

The Company has a legislated obligation to provide a retirement payment to employees in the Philippines equal to 22.5 days pay for every year of credited service at attainment of a retirement age of 60. The Company completes an actuarial valuation of the present value of the obligation annually. The last actuarial valuation of the present value of the obligation was carried out at February 13, 2017 based on obligations at December 31, 2016. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The current and past service costs at March 31, 2017 were $155,664 (December 31, 2016 - $155,664).

Provision for Reclamation Liability

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

As at March 31, 2017, a liability for site reclamation for the T'Boli property of $1,290,389 was recorded. The liability is estimated based on a detailed mine rehabilitation plan cost of PhP $42,400,000 inflated at 1.50% (December 31, 2016 – 1.50%) over the term of the plan from 2010 to 2022 and discounted to present value using a 5-year risk free rate of 1.11% (December 31, 2015 – 5-year risk free rate of 1.11%).

The Company is not aware of any existing environmental problems related to any of its current or former properties, except as disclosed above, that may result in material liability to the Company.

Principles of consolidation

The interim consolidated financial statements include the accounts of the Company (the ultimate parent company), its wholly-owned subsidiaries, Esperanza Capital Corp and its 20% interest in Exploradora La Esperanza S.A. (a Colombian company); Sabena Limited and its subsidiaries (Australian companies); Tribal Holdings Inc., Batoto Holdings Inc., and Philco Holdings Inc. (Canadian companies), and Tribal Processing Corporation ("Tribal Processing") (Philippine company); and the accounts of its partially-owned (40%) Philippine affiliates, Batoto Resources Corporation ("BRC") and TMC Tribal Mining Corporation ("TMC"), referred to throughout the consolidated financial statements as the "Philippine companies". The Company owns 40% of each of the Philippine companies, which have been consolidated as they meet the criteria under IFRS 10: Consolidated Financial Statements. The Company's ownership percentage in the Philippine companies is a result of Philippine laws restricting foreign ownership, but the Company is acting as operator of the Philippine companies. The remaining 60% ownership of each of the Philippine companies is owned by the two respective presidents of those companies. Each president has signed an option agreement allowing the Company to acquire control in certain circumstances. All significant intercompany balances and transactions have been eliminated on consolidation.

The Company has a 20% interest in Agusan and is able to exert significant influence over Agusan, as a result, Agusan is considered to be an associate as at March 31, 2017 and 2016.

Non-controlling interest in the net assets of consolidated partially-owned Philippine companies are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods using the graded vesting method. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Non-vesting conditions are considered in making the assumption about the number of awards that are expected to vest. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the recorded value in share-based payments reserve is transferred to share capital. Upon expiry, forfeiture or cancellation, the recorded value is transferred to deficit.

Risks and Uncertainties

Mining and exploration involves a high degree of risk, and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has significant cash requirements to conduct its planned explorations, meet its administrative overhead and maintain its resource interests.

The Company's ability to continue as a going concern is dependent on its ability to bring the Tribal Processing T'Boli gold processing plant to full production, and secure additional financing to fund the remaining development of the T'Boli mine and gold processing plant and planned exploration and development, and fund its ongoing administrative expenditures. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The recoverability of the Company's investment in, and expenditures on, resource properties is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

The Company is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations, and actions, could cause additional expense, capital expenditures, restrictions, and delays in the activities of the Company, the extent of which cannot be predicted. The Company, as noted in item 5 above has made significant changes to address the underperformance of the milling and mining operations at T'Boli and with the cooperation of two new cornerstone investors it implemented a plan that resulted in the T'Boli project recommencing operations in the second half of 2015. At BRC, we will continue the exploration and development of the projects in the Comval in eastern Mindanao at levels to ensure compliance with Philippine requirements to keep the permits in good standing. The Company must obtain approvals and or comply with regulatory and environmental regulations and there is no assurance that such approvals can be obtained on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's resource properties are located in the Philippines and, consequently, are subject to certain risks, including currency fluctuations and possible political and economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations to the mining industry.

Shareholder information

Common Shares

The Company has authorized an unlimited number of common shares without par value, and, at March 31, 2017 and the date of this MD&A, 188,217,712 (December 31, 2016 – 188,217,712) common shares were issued and outstanding.

On October 13, 2016, the Company issued 7,655,283 three year $0.06 warrants after receiving the remaining US $350,000 of the stage 3 funding under the terms of the debt facility. The warrants issued have a fair value of $86,432.

On September 7, 2016, the Company issued 1,500,000 units at a price of $0.05 per unit and received gross proceeds of $75,000. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders.

On September 7, 2016, the Company reached agreement with a related party to convert $400,000 in debt and issued 8,000,000 units at a deemed value of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders. The warrants issued have a fair value of $152,202.

On August 15, 2016, the Company issued 16,762,000 units at a price of $0.05 per unit and received gross proceeds of $838,100 and issued 115,000 units at a price of $0.05 per unit for finder's fees of $5,750. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 per for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders.

On July 29, 2016, the Company issued 15,067,846 three-year $0.065 warrants after receiving stage 2 funding of US $600,000 under the terms of the debt facility. The warrants issued have a fair value of $230,415.

On May 27, 2016, the Company reached agreement with trade creditors to convert $224,625 in debt and issued 4,492,500 units at a deemed value of $0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The warrants issued have a fair value of $163,081.

On May 18, 2016, the Company issued 11,750,000 three year $0.065 warrants after receiving stage 2 funding of US $600,000 under the terms of the debt facility. The warrants issued have a fair value of $188,666.

On April 11, 2016, the Company reached agreement with trade creditors to convert $215,450 in outstanding debts and issued 4,309,000 units at a deemed value of $0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The warrants issued have a fair value of $62,588.

On April 11, 2016, the Company reached agreement with insiders to convert $179,800 in outstanding debts and issued 3,596,000 shares at a deemed value of $0.05 per share.

On March 15, 2016, the Company issued 12,461,538 three-year $0.065 warrants after receiving stage 1 funding of US $600,000 under the terms of the debt facility. The warrants were issued have a fair value of $214,892.

On March 15, 2016, the Company issued 5,800,000 five-year $0.10 warrants under the terms of the debt facility. The warrants were valued using the Black-Scholes pricing model at $283,620.

On March 11, 2016, the Company issued 3,000,000 shares with a deemed value of $0.05 per share to its CEO in accordance with his employment contract.

Stock Options

The Company has a stock option plan whereby the Board of Directors is authorized to grant options to a rolling ceiling of 10% of the issued and outstanding common shares of the Company. Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The terms of the option and the option price are fixed by the directors at the time of grant subject to restrictions imposed by the TSX-V. Stock options awarded have a maximum term of ten years. The vesting terms of the options are determined by the directors, however, options granted to investor relations consultants are subject to a minimum twelve-month vesting schedule, whereby no more than 25% vest in any three-month period. Stock options held by officers, directors, employees or consultants of the Company expire one year following their departure from the Company.

During the three months ended 31 March 2017 and the year ended December 31, 2016, the Company did not issue any options. No options expired during the three months ended March 31, 2017. During year ended December 31, 2016, 120,500 options with exercise prices between $1.20 and $4.00 expired unexercised. At March 31, 2017, the Company had 12,163,738 (December 31, 2016 – 12,386,738) incentive stock options outstanding and exercisable. The options outstanding and exercisable at March 31, 2017 and December 31, 2016 have weighted average remaining contractual lives of 3.69 and 3.94 years, respectively.

Warrants

At March 31, 2017, the Company had 87,913,167 (December 31, 2016 – 87,913,167) share purchase warrants outstanding.

EVENTS AFTER THE REPORTING DATE

(a) The Company offered for sale up to 300 convertible notes that mature on December 31, 2017 with a face value of AU $10,000 per note ("Convertible Notes") for a total of AU $3,000,000. Each Convertible Note entitles the holders of the notes to convert into CHESS Depository Interests ("CDI") of the Company at a conversion price of $0.05 and one option per CDI issued ("CDI Option"), or into common shares of the Company listed on the TSXV at a conversion price of $0.05 and one warrant per common share issued, if the Company has not obtained a listing on the Australian Securities Exchange. The CDI Option entitles the holder to purchase one CDI at $0.06 for a period of three years. The warrants entitle the holder to purchase one common share per warrant at $0.06 for a period of three years.

The Convertible Notes bear interest at 12% per annum, are convertible at the holders' election, and will share first ranking security with Rizal's existing secured debt holders.

The first tranche closed on April 13, 2017 with the issuance of 184 Convertible Notes totalling AU $1,840,000.

(b) On April 6, 2017, a claim was initiated against the Company by CSA Global Pty Ltd. for payment of services rendered to the Company of AU $81,456 ($79,069). The Company believes that the claim is without merit, as it pertains to undelivered or unauthorized deliverables.

(c) Subsequent to the period ended March 31, 2017, 8,801,500 warrants with exercise price of $0.10 expired.