RIZAL RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations has been prepared as at April 30, 2018 and should be read in conjunction with Rizal Resources Corporation's (the "Company" or "Rizal") consolidated financial statements for the years ended December 31, 2017 and 2016. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated 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 referred to as 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

Steven Olsen, M AIG, has reviewed the technical information regarding exploration results contained within this news release MD&A. Steven Olsen, an Independent Consultant, is a "Qualified Person" as such term is defined in National Instrument 43-101 and he has verified and approved the contents of this news release.

3. Company Overview

The Company is engaged in mineral exploration at its T'Boli gold mine and exploration of precious and base metals at its other project areas located in the Philippines. The company has also commenced trial mining activities in parts of the north veins. Trial mining activities are still at a preliminary stage with results from the reconciliation of this work anticipated in the second half of 2018. The Company's corporate objective is to develop the T'Boli mine. with a second priority being to complete the systematic exploration of its other project areas. The T'Boli project does not have a current mineral resource estimate or mineral reserves and 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 operations due to increased uncertainty of results. Mining and processing activity at the T'Boli project are continuing on a small-scale basis associated with the company's underground exploration activities and this should not be construed as Rizal having made a commercial production decision.

Rizal's current work program at the T'Boli Project is constrained within a relatively small section of the T'Boli Property and of the greater potential mineralized region. This ongoing work program is critical to understanding the key controls of the gold and silver mineralization at the Project, Rizal expects to continue this approach up to the point that the understanding of the controls on the gold mineralization will allow for a greater confidence in the interpretation and estimation of a Mineral Resource from future drilling programs.

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 Kopore Metals Limited(previously Metallum) (ASX: KMT) ("Kopore").

4. Directors & Management

Mr. Neil Grimes	Chairman
Mr. Peter Main	Director, President / Chief Executive Officer / Interim CFO
Mr. Steve Woods	Director
Mr. Paul Hogan	Director
Ms. Richelle L. Singson Michael	Director

5. Corporate Activity

Rizal has continued to build its understanding of the complex and extensive gold-silver mineralization at its flagship T'Boli Project. The Company has also been working to enhance the mining infrastructure on site and the capability of its Processing Plant used in connection with trial mining activities which can now process over 200t per day. During 2018 Rizal plans to focus on completing additional exploration work with a view to establishing a current resource on the T'Boli project. Trial mining and small-scale processing activities at the Processing Plant are expected to continue, with funds from sales of metal applied to help offset the cost of operations.

The main objective in 2017 was to develop a greater understanding of the geological structures through development of exploration drives and trial mining.

During the year ended December 31, 2017, Rizal entered into a new debt facility and as at year end had drawn down $3,520,440 (US$2,800,000), and had also received multiple capital injections from Gold Valley Holdings Corporation. As at year end the total received was $1,024,682. In addition, the Company reduced the debt by $2,266,734 through debt to equity transactions. The Company continues to work toward restructuring the balance sheet and ensuring Rizal is appropriately funded. Rizal has continued to advance its T'Boli project over the last year albeit at a slow pace due to financial constraints. Key milestones achieved for the 12 months up to December 31, 2017:

- Rizal has drawn down $2,874,979 (US$2,174,000) from its debt facility for the year to-date. The majority of those funds, almost 80%, has been directed toward capital works at T'Boli; and
- Rizal provided clarification on its previous disclosure as a result of a technical disclosure review by the British Columbia Securities Commission ("BCSC"). The company announced it was withdrawing the 2012 Technical Report titled *"Technical Report on T'Boli Gold and Silver Project, South Cotabato, Mindanao, Philippines"* should no longer be relied upon. The deficiencies identified by the BCSC in the 2012 included disclosure that was based on reliance on a prior report that was retracted by the company in May 2012, that one of the authors did not meet the independence requirements in NI 43-101, Furthermore the report included economic and other information typically associated with a more advanced project as defined by NI 43-101 and that since the writing of that report CIM definition standards applicable to inferred mineral resources disclosed had since changed.

  In order to address the concerns the Company then released a current technical report compliant with NI 43-101 and announced its intention to release a current mineral resource later in 2018.

6. Direction

Since the granting of the Declaration of Mining Project Feasibility ("DMPF") by the Philippine government, on October 10, 2012, the Company had advanced mine development of exploration drives, on-lode strike development, diamond drilling and establishment of stoping 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, operational, balance sheet and management resulting in the T'Boli operation being put on care and maintenance in 2014. The focus over the last 3.5 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, followed with restructuring Rizal's balance sheet. This involved rebuilding trust and credibility with the T'Boli community and establishing relationships with the key stake holders in the region.

Operationally, the focus has been to develop a more detailed understanding of the geological structures with the goal of advancing the project to the development stage. Construction of a new portal and commencement of an alternate decline commenced early in 2016 continuing through 2017 with the objective of providing alternate access to previously identified geological structures. This process included the development of exploration drives and trial mining with the objective of developing a better understanding of the existing geological structures and at the same time generate revenue to assist in funding all exploration activity and servicing existing debt. Going forward into 2018 the primary aim for the ongoing work program is to develop, explore and define the controls on the gold mineralization across the north veins and south veins and the continuation of trial mining. The results from this work will be analyzed with the objective of preparing a new Mineral Resource estimate by the end of 2018.

The Company will provide regular updates on the results of its exploration activities, with particular attention paid to the results identified from the south veins, which is considered to be more favourable for high grade gold mineralization. Rizal's financial objective is to continue to restructure the balance sheet.

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 advancing the T'Boli epithermal gold-silver project.

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, an existing processing plant 200 tpd, accommodation complex and an assay laboratory constructed by the Company. Work on the project, included the rehabilitation of an underground mining tunnel known as the Beehive Adit and development of a decline to access mineralized rock on horizons below the adit. Only a small portion of the north vein systems had been developed, prior to shutting the mine down. 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 with work commencing on a new decline access early in 2016. Rizal recommenced exploration work on the mine early in 2016 and began trial mining of mineralized material late in 2016

T'Boli Project Activity year to date 2018

- The Company released an exploration stage technical report and exploration update news release on the the 28th March outlining recent exploration activities at T'Boli for the purpose of defining the geological controls and the continuity of the gold mineralization that exists at the Project. This work focused on the exploration of two defined vein systems known as the north veins and south veins, via a series of exploration development tunnel's. Which identified a number of high grade mineralized zones from the exploration development. Based on this review, over 457m of high grade gold mineralization has now been defined (see Table 1), including the following highlights:
    - South Vein FW2 – 22m long with average thickness (true width) of 0.51m and gold grade of 57.7g/t
    - South Vein FW1 – 18m long with average thickness (true width) of 0.47m and gold grade of 29.7g/t
    - South Vein V3 – 32m long with average thickness (true width) of 0.68m and gold grade of 23.8g/t
    - South Vein V4 – 50m long with average thickness (true width) of 1.2m and gold grade of 21g/t
    - North Vein V1 – 53m long with average thickness (true width) of 1.3m and gold grade of 18.8g/t
- The Company plans to access and commence exploration drives on the south veins in the second quarter of 2018. The exploration development on the south veins is planned to come in close proximity to some of the more significant drill intercepts recorded in the T'Boli database including drill hole TG038 which returned an intersection of 8m (true width) @ 14.2g/t gold (uncut).
- Since the beginning of 2018 to the end of March 2018 the Company has processed from trial mining 13,552 tonnes producing 685oz Au for total revenue of CAD$1,098,568.

T'boli Project Activity year to date 2017

- During 2017, the T'Boli project processed through its processing plant from exploration development and trial mining 1,575oz Au generating total revenue of CAD$2,290,239.
- Total metres advanced in waste and decline development infrastructure in the underground during 2017 totaled 802m.
- Exploration drives on structures in 2017 advanced a total of 698m.
- At the end of 2017 a second level (between the 515mRL and the 525mRL) of exploration development drives had commenced on the north veins, with exploration development ongoing to the end of February 2018 at this level. Access into the south veins is anticipated in the second quarter of calendar year 2018.
- On May 9, 2017, President Rodrigo Duterte appointed Mr. Roy A. Cimatu to replace Ms. Gina Lopez as the Secretary of the DENR. This action followed Ms. Lopez's appointment being rejected by the Congressional Commission of Appointments on May 4, 2017. This appointment has had a positive impact on the mining industry in the Philippines.
- The engagement of Premium Mining Personnel (Australian Mining Contractors) in February 2017 as consultants to provide management guidance, advice and training of the Philippine National miners has resulted in significant improvement in and around the mining operation.
- During 2017, the T'Boli operations commenced progressing toward owner mining given the significant underperformance from the contractors engaged to manage the infrastructure development at the project.

PRODUCTION AND SALES SUMMARY

Metal sales for the quarter ended March 31, 2018.

PRODUCTION AND SALES SUMMARY - GOLD

March 2018 Quarter

	Grams	oz.	Tons Milled	Ave. grade (grams/ton)	Total Proceeds	
					PHP	CAD
January	5,991.21	192.62	3,178.00	4.13	12,476,759.50	299,004.25
February	7,422.15	238.63	3,608.00	3.12	15,766,187.00	386,746.54
March	7,879.50	253.33	6,766.00	2.12	16,731,550.00	412,816.86
Total, 2017	**21,292.86**	**684.58**	**13,552.00**	**2.86**	**44,974,496.50**	**1,098,567.65**

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

PRODUCTION AND SALES SUMMARY - GOLD

For the year ended
December 31, 2017

	Grams	oz.	Tons Milled	Ave. grade (grams/ton)	Total Proceeds	
					PHP	CAD
January	-	-	-	-	-	-
February	-	-	1,656.50	1.01	-	-
March	564.80	18.16	2,116.90	1.35	1,004,285.71	26,692.76
April	5,116.57	164.50	2,780.00	1.41	9,168,579.98	251,209.11
May	1,577.60	50.72	941.40	2.10	2,868,944.64	77,426.46
June	4,075.27	131.02	3,309.00	1.56	7,100,688.27	182,955.56
July	3,706.20	119.16	3,061.00	1.13	6,665,820.54	163,884.87
August	2,577.80	82.88	3,312.00	1.03	4,870,039.29	120,109.09
September	5,338.76	171.64	3,561.00	1.94	9,887,420.80	240,520.69
October	11,292.64	363.07	3,760.00	4.61	20,698,268.82	512,152.11
November	8,322.70	267.58	2,620.00	3.27	14,893,274.12	378,889.48
December	6,403.70	205.88	2,038.00	4.49	11,725,245.55	295,227.25
Total, 2017	**48,976.04**	**1,574.62**	**29,155.80**	**2.21**	**88,882,567.72**	**2,249,067.39**

The T'Boli project does not have a current mineral resource estimate or mineral reserves and 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 operations due to increased uncertainty of results.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 of aditting, 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 500 tpd 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 Kopore (previously 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, Kopore 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 Kopore not meet the funding requirements, the agreement contains dilution provisions.

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

Kopore 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 Kopore 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.

Kopore exploration has included outcrop sampling, underground adit sampling, trench sampling, diamond drilling and mapping. The results are published on the Kopore 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 receiving advice and is in discussions with Kopore regarding Kopore's failure to meet its obligations over the term of the agreement. The JV agreement expired in January 2017. Rizal believes it is close to resolving the ownership structure of Comval with Kopore and will make an announcement to the market once an agreement is finalised.

8. Financial Statements

The following selected financial information is derived from the audited consolidated financial statements of the Company prepared in accordance with IFRS.

All amounts in CAD$,000, except per share data	Years ended December 31, 2017	2016	2015
	$	$	$
Operations:			
Revenues	n/a	n/a	n/a
Net Income/(Loss)	(2,483)	(3,829)	(7,276)
Comprehensive Income/(Loss)	(2,483)	(3,829)	(7,276)
Net Income/(Loss) per share-basic	(0.01)	(0.02)	(0.10)
Net Income/(Loss) per share-diluted	n/a	n/a	n/a
Dividends per share	n/a	n/a	n/a
Balance Sheet:			
Working capital/(deficit)	(24,431)	(17,967)	(13,565)
Total assets	18,478	9,462	6,311
Total Long-term liabilities	3,916	2,096	3,058

<u>Results of Operations, for the year ended December 31, 2017, compared with the year ended December 31, 2016.</u>

For the year ended December 31, 2017, the Company reported consolidated net loss of $2,483,337 (December 31, 2016 - $3,829,163) a favourable variance of $1,345,826. The favourable variance is primarily the result of incidental revenues from the processing of mineralized developmental material and tailings and favourable FX rates. This was partially offset by higher interest costs related to new borrowing and a general increase in costs due to increased activity. Further explanations of the variances are detailed below.

Operating expenses favourable variance $319,203

- Exploration and evaluation expenses $10,301 (2016 - $409,509) a favourable variance of $399,208. In January 2016, the Company had determined that the T'Boli project had entered the development phase, resulting in a decrease in exploration expenses.
- Consulting fees $793,126 (2016 $1,264,667) a favourable variance of $471,541. Primarily due to the decreased use of consultants by the Company.

Partially offset by:

- Bank Charges, interest and accretion $2,321,444 (2016 - $1,852,783) an unfavourable variance of $468,661 primarily due to the issuance of new convertible notes with embedded derivatives during the year.
- Share-based payments $239,764 (2016 - $150,000) an unfavourable variance of $89,764. The Company granted 6,000,000 share purchase options in 2017 to directors and officers; the fair value of the options was calculated using the Black-Scholes option pricing model. In 2016 the payment related to 3,000,000 shares issued to the Company's CEO under the terms of his employee benefits.

Other items favourable variance $2,025,669

- Incidental revenues $2,290,239 (2016 - $1,273,335) a favourable variance of $1,016,904 from the processing of mineralized stockpiles and tailings.
- Foreign exchange gains $665,076 (2016 - $216,435) a favourable variance of $448,641 resulting from the

weakening of the Philippine Peso against the US dollar and Canadian dollar.

Partially offset by:

Deferred income tax expense unfavourable variance $999,046

- Deferred income tax expense $(25,005) (2016 – recovery $974,041).

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 December 2017	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Total assets	18,478	13,233	12,085	10,042
Working Capital (deficiency)	(24,431)	(24,900)	(22,999)	(20,222)
Net Income (loss)	2,048	(2,185)	(1,122)	(1,224)
Other Comprehensive Income (loss)	n/a	n/a	n/a	n/a
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	(0.00)	(0.01)
	Three Months Ended December 2016	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	Three Months Ended March 31, 2016
Total assets	9,622	6,980	6,448	5,639
Working Capital (deficiency)	(17,967)	(16,480)	(15,539)	(15,789)
Net Income (loss)	(770)	(110)	(1,548)	(1,385)
Other Comprehensive Income (loss)	n/a	n/a	n/a	n/a
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.01)	(0.01)

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

For the three months ended December 31, 2017, the Company reported consolidated net gain of $2,048,000 (December 31, 2016 – net loss of $770,047) a favourable variance of $2,818,047. The favourable variance is primarily the result of incidental revenues from the processing of trial mining material and favourable FX rates partially offset by higher interest costs related to new borrowing and a general increase in costs due to increased activity. Further explanations of the variances are detailed below.

Operating expenses favourable variance $459,652

- Consulting fees $198,657 (2016 - $315,378) a favourable variance of $116,721 primarily due to the decrease in the consultants doing work for Rizal during the year.
- Foreign exchange gain $772,125 (2016 – $216,435) a favourable variance of $555,690 resulting from the weakening of the Philippine peso during the year.
- Exploration and evaluation expenses $nil (2016 – $48,732) a favourable variance of $48,732. The Company was not focused on greenfields exploration during 2017 and was instead focused on the brownfields infrastructure development of the mine therefore exploration and evaluation expense decreased.

Partially offset by:

- Bank Charges and interest gain $413,404 (2016 $82,405) an unfavourable variance of $330,999. Increase is due to an adjustment related to the amortization of the equipment component of the convertible notes.

Other items unfavourable variance $1,021,859

- Gain on sale of plant, property and equipment of $nil (2016 - $27,813) an unfavourable variance of $27,813, no plant, property or equipment were sold in the period.
- Deferred income tax expense $ (25,005) (2016 – recovery $974,041) unfavourable variance of $994,046

Liquidity and Capital Resources

At December 31, 2017, the Company had a working capital deficit of $24,431,089 (2016 - $17,966,504), consisting of cash of $500,539 (2016 - $418,163), amounts and advances receivable of $366,775 (2016 - $259,279), prepaid expenses and other assets of $1,276,504 (2016 - $915,752), accounts payable and accrued liabilities, due within three months, of $10,655,734 (2016 - $6,209,390), loans payable of $6,732,565 (2016 - $3,142,681), convertible notes of $3,769,155 (2015 - $4,740,666), and due to related parties of $5,562,053 (2016 - $5,561,501)

Due to related parties are primarily 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 January 11 2016 when the Company entered into a debt facility agreement with Claymore Capital Pty Ltd. the production royalty was adjusted to a flat 1.5%. 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. On August 18, 2017, the Company reached an agreement with Mighty River to extend the maturity date of the note to July 31, 2018. At December 31, 2017, the Company had total principal, interest and royalties owing to Mighty River of $5,495,192 (US$ 4,370,629) (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 December 31, 2016, the Company had received US$2,300,000. Total principal and interest owing, recorded at fair value as at December 31, 2017, is $2,866,773 (US$ 2,280,103) (2016 $2,642,817 (US$ 1,968,286)).

The Company will require further 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.

On August 23, 2017, the Company entered into an agreement with Trade Finance Corporation for a 6 month US $2 million transactional loan. The loan bears interest of 20% per annum. On December 13, 2017, the loan was restructured into a new agreement with an extra US $800,000 added to the loan. This also adjusted the term by 6 months and amended the interest rate to 15% per annum. The outstanding balance of principal and interest at December 31, 2017 was $3,469,902, of which $1,027,946 is classified as a non-current liability. Subsequent to year-end, on January 18, 2018, the term of the loan was further extended by 18 months.

Throughout the year Gold Valley Holdings supplied with the Company with Capital when required at an interest rate of 12% per annum. The outstanding balance as at December 31, 2017 is $588,843. There is no term on this loan as at December 31, 2017.

During the year ended December 31, 2017, the Company received proceeds of AU $1,900,000 ($1,874,160) related to convertible notes. The notes were issued on January 1, 2017, have an interest rate of 12% per annum, and expire on December 31, 2017. On December 31, 2017, $187,755 of the convertible notes were converted into 3,755,100 units, consisting of one common share and one common share purchase warrant. The units were not issued until 2018. $254,021 of the convertible notes were extended until July 31, 2018. One holder of $1,656,666 convertible notes did not agree to extend or convert. On January 1, 2018, the conversion feature for the $1,656,666 convertible notes expired; these notes continue to remain outstanding and will continue to accrue interest at 12% per annum.

The Company refinanced $1,930,873 of convertible notes that expired during the year ended December 31, 2017. The terms of the refinancing were as follows:

$1,105,125 of principle and accrued interest was refinanced into convertible notes with an interest rate of 12% per annum and an expiry date of June 30, 2018. The convertible note holders were also issued 22,102,500 common share purchase warrants with an exercise price of $0.05 and an expiry of 3 years from the date of issuance.

$686,058 of principle and accrued interest was refinanced into convertible notes with an interest rate of 12% per annum and an expiry date of January 31, 2019. The convertible note holders were also issued 13,721,160 common share purchase warrants with an exercise price of $0.05 and an expiry of 3 years from the date of issuance.

$139,690 of principle and accrued interest was refinanced into convertible notes with an interest rate of 12% per annum and an expiry date of January 31, 2019. The convertible note holders were also issued 2,793,800 common share purchase warrants with an exercise price of $0.05 and an expiry of 3 years from the date of issuance.

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, loans payable and amounts due to related parties approximate their fair values due to the short terms to maturity of these financial instruments.

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 25%, 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 Kopore putting the project on care and maintenance status. Kopore continues to have the project on care and maintenance and as a result, at December 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:

		December 31, 2017		December 31, 2016
Canadian dollar equivalent				
Australian dollar	$	4,298	$	164,768
Canadian dollar		9,169		7,319
United States dollar		180		-
Philippine peso		486,892		246,076
Total cash	$	500,539	$	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 Kopore and Agusan with respect to that investment. The Company actively monitors the financial status of Agusan and Kopore 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 December 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:

		December 31, 2017	December 31, 2016
Canadian dollar equivalent			
Philippine Pesos			
Cash	$	486,892	246,076
Accounts payable and accrued liabilities		(6,648,094)	(3,641,516)
Loans payable		(516,861)	-
AU$			
Cash		4,298	164,768
Accounts payable and accrued liabilities		(1,805,095)	(1,289,585)
Amounts due to related parties		(30,861)	(102,580)
Convertible notes		(1,910,688)	(1,651,461)
US$			
Cash		180	-
Accounts payable and accrued liabilities		(513,422)	(479,373)
Loans payable		(2,866,773)	(2,642,817)
Amounts due to related parties		(5,495,192)	(5,458,921)
Net exposure			
Canadian dollar equivalent	$	(19,295,616)	(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 December 31, 2017 would result in a change to net loss and comprehensive loss of approximately $193,000 (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 advance the T'Boli Project. This will require the Company to obtain additional financing.

9. Financial Condition and Capital Resources

During the year ended December 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 December 31, 2017, the working capital deficit was $24,431,089 (2016 - $17,966,505), which includes the convertible notes of $3,769,155 (2016 - $4,740,666), advances against the credit facility due to related parties $5,495,192 (2016 - $5,458,921) and other loans of $ 6,732,565 (2016 - $3,142,681).

Exploration and Evaluation Expenses

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. Exploration and evaluation expenses include all material and supplies, wages, professional fees and contract labor costs associated with the exploration of the properties. For the year ended December 31, 2017 the Company spent $10,301 (2016 - $41,516) in relation to the Batoto property, and $nil (2016 - $367,993) in relation to the T'Boli property that was transferred for accounting purposes only to construction in process as a development property during the year-ended December 31, 2016.

Related Party Transactions and Balances

At December 31, 2017, the Company owed $6,579,663 (2016 - $6,352,064) to related parties, of which amounts owed to officers and directors included in accounts payable, are as follows:

Officers and directors for:		**December 31, 2017**		**December 31, 2016**
Consulting and directors fees	$	958,552	$	678,952
Reimburse expenses		30,861		102,580
Convertible notes		95,058		111,611
Due to related parties		5,495,192		5,458,921
	$	6,579,633	$	6,352,064

At December 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 $552,000 (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 26, 2017 based on obligations at December 31, 2017. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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 December 31, 2017, a liability for site reclamation for the T'Boli property of $2,048,228 (2016 - $1,286,718) was recorded. The liability is estimated based on a detailed mine rehabilitation plan cost of PHP 42,400,000, inflated at 1.95% (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 1.10% (2016 – 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 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 December 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 is implementing a plan that is expected will result 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 December 31, 2017, 197,828,332 (2016 – 188,217,712) common shares were issued and outstanding. At the date of this MD&A, April 30, 2018, 240,534,492 common shares were issued and outstanding.

On December 7, 2017 the Company issued 9,610,620 shares for debt. The shares issued have a fair value of $435,783.

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 year ended December 31, 2017, the Company granted 6,000,000 options (December 31, 2016 - nil options). During year ended December 31, 2017, 163,738 options with exercise prices between $1.20 and $4.00 expired unexercised (December 31, 2016 - 223,000 options with exercise prices between $1.20 and $4.00). The options outstanding and exercisable at December 31, 2017 and 2016 have weighted average remaining contractual lives of 3.43 and 3.94 years, respectively.

Warrants

During the year ended December 31, 2017, the Company issued 48,228,080 warrants (December 31, 2016 - 87,913,167) that expire between December 7, 2018 and December 18, 2020 with an exercise price of $0.05 (2016 - exercise prices between $0.065 and $0.10), and 35,178,500 warrants with an exercise price of $0.10 expired (December 31, 2016 - 149,391,184 warrants with an exercise price of $0.10). At December 31, 2017, the Company had 100,962,747 (2016 – 87,913,167) share purchase warrants outstanding.

Events After The Reporting Date

(a) On January 18, 2018, a new agreement was entered into with Trade Finance Corporation, this replaced the previous agreement. The new agreement is for a US $3.5 million credit facility with 15% interest per annum and a term of 18 months. The Company has fully drawn on this facility as at April 30, 2018.

(b) On January 19, 2018, 3,952,800 units, each consisting of one common share and one common share purchase warrant, were issued for a debt conversion agreement entered into on December 1, 2017. The warrants have an exercise price of $0.05 and expire 3 years after issue.

(c) On January 30, 2018, 3,227,000 units, each consisting of one common share and one common share purchase warrant, were issued for a proceeds of $161,350. The warrants have an expiry of 3 years from the date of issuance and an exercise price of $0.05.

(d) On February 5, 2018, 19,708,100 units, each consisting of one common share and one common share purchase warrant, were issued per a conversion agreement entered into during the year ended December 31, 2017. The warrants have an exercise price of $0.05 and expire 1 year from the date of issuance

(e) On February 14, 2018, the Company issued 3,755,100 units, each consisting of one common shares and one common share purchase warrants. This was for convertible note holders who converted at expiry on December 31, 2017. The warrants have an exercise price of $0.05 and expire 3 years from the date of issuance

(f) On March 7, 2018, 12,063,160 units each consisting of one common share and one common share purchase warrant, were issued per a conversion agreement entered into during the year ended December 31, 2017. The warrants have an exercise price of $0.05 and expire 1 year from the date of issuance

(g) Gold Valley Holdings provided the Company additional debt of AU $255,000 on February 13, 2018 and AU $200,000 on April 17, 2018. The credit facility continues to accrue interest at 12% per annum.