



# **ROKMASTER RESOURCES CORP.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2016

## Rokmaster Resources Corp.

### Management Discussion and Analysis ("MD&A")

*Set out below is a review of the activities, results of operations and financial condition of Rokmaster Resources Corp. (referred to herein together as the "Company" or "Rokmaster") for the year ended December 31, 2016. The following information should be read in conjunction with the Company's audited consolidated financial statements and the notes related thereto for the year ended December 31, 2016 and the Company's audited annual consolidated financial statements of Rokmaster and the notes related thereto for the year ended December 31, 2015.*

*This MD&A is prepared as of April 28, 2017 and all dollar amounts are stated in Canadian Dollars unless otherwise stated.*

*The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Manitoba and Ontario in Canada. The Company's shares are listed on the TSX Venture Exchange in Canada under the symbol "RKR" and on the OTC Pink Sheets in the USA under the symbol "RKMSF."*

#### **Caution Forward Looking Information**

The Company's audited consolidated financial statements for the year ended December 31, 2016 and this accompanying MD&A contain certain statements that may be deemed "forward-looking statements." All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential," "interprets," and similar expressions, or that events or conditions "will," "would," "may," "could," or "should" occur. Forward-looking information in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes, risks and uncertainties relating to the Company being in the exploration stage, the possibility that future exploration and development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking information are based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities, that the Company will receive required permits, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Peru and Canada and the various provinces in Canada will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change except as required by law.

## Business Overview and Overall Performance

### Business Overview

The Company is primarily engaged in the acquisition, exploration and development of precious, base and industrial mineral properties. The Company's principal exploration areas of interest are North America, Central America and South America. The Company currently owns 100% of the Duncan Lake Zinc-Lead Property and has a 55% interest in the Big Copper property both located in the Slocan Mining Division in southeast British Columbia, Canada.

In order to achieve its objective, the Company has assembled a mineral exploration and management team with extensive experience in exploring, developing and bringing mines into production.

### Overall Performance

Highlights of the Company's activities during and subsequent to the year ended December 31, 2016:

- On April 5, 2017, the Company closed the final tranche of its non-brokered private placement with the issuance of 6,017,000 units at a price of \$0.05 per unit for gross proceeds of \$300,850. The units from this tranche have the same terms as the ones that closed on December 28, 2016 except the warrants expire on April 5, 2019.
- On March 3, 2017, the Company completed its acquisition of a 100% interest in a certain British Columbia Mineral Tenure located in the Slocan Mining Division by issuing 250,000 Rokmaster common shares. The mineral claim adjoins the Duncan Lake Zinc Project.
- On January 30, 2017, the Company granted 7,950,000 incentive stock options to its directors, officers and consultants. The options are exercisable for a period of five years expiring on January 30, 2022 at an exercise price of \$0.06 per common share.
- On January 27, 2017, the Company completed its shares for debt transaction with various creditors by issuing 29,002,225 common shares at a deemed price of \$0.05 per share to settle outstanding debt in the aggregate of \$1,450,111 owed to directors, officers and certain arm's length creditors.
- On January 17, 2017, the Company completed its acquisition of a 100% interest in the Duncan Lake Zinc-Lead Property located in the Slocan Mining Division in southeast British Columbia, Canada approximately 64 km north of Kaslo, British Columbia pursuant to a property purchase agreement dated November 2, 2016 with John (Jack) Denny, Robert Denny and Graeme Haines. *Please see the Exploration Properties section of this MD&A and the Company's news release dated January 23, 2017 for further details.*
- On December 28, 2016, the Company closed the first tranche of a non-brokered private placement by issuing 7,700,110 units at \$0.05 per unit for gross proceeds of \$385,006. Each unit comprises of one common share and one common share purchase warrant, with each warrant exercisable to purchase one additional common share until December 28, 2018, at a price of \$0.06 per share and subject to an accelerated expiry date.
- On November 17, 2016, the Company announced the appointment of Michael Cowin as Chairman of the board of directors of the Company.
- Effective May 23, 2016, the Company announced that its shares have been voluntarily delisted from the Bolsa de Valores de Lima S.A. (the Lima Stock Exchange).

## **Exploration Properties**

### ***Duncan Lake Zinc-Lead Property, Canada***

The Duncan Lake Zinc-Lead Property located in the Slocan Mining Division in southeast British Columbia, Canada (the "Property") approximately 64 km north of Kaslo, British Columbia. The Property consists of 9 contiguous mineral claims covering 1,648 hectares along the strike extension of Teck Resources Ltd.'s ("Teck") historical Duncan Mine property and 148 km by road northeast of Teck's smelter in Trail, British Columbia.

#### ***History of the Property***

The Consolidated Mining and Smelting Company of Canada, Limited ("Cominco"), a predecessor of Teck, conducted four phases of exploration work on the Property from 1989 to 1997 included coring of 8,333.9 meters in 12 diamond drill holes. The work encountered significantly higher grade zinc-lead mineralization (see below Table of Selected Mineralized Drill Intersections) than was typically encountered at the Duncan Mine and confirmed that altered and mineralized carbonate strata extends from the Duncan Mine northward more than 2.3km and is open to the north, the west limb of Duncan Anticline and to depth on the Property. A further phase of drilling (8,800 meters in 8 holes) was recommended for 1998 but not conducted, possibly due to the steep decline in lead and zinc prices at the time and Teck's increasing involvement in Cominco which had begun in 1986.

**Table: Selected Mineralized Drill Intersections – Duncan Lake Project**

<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Core Length (m)</b>	<b>Estimated True Thickness (m)</b>	<b>Zn (%)</b>	<b>Pb (%)</b>
<b>C89-5</b>	551.00	565.23	14.23	12.2	5.21	3.10
and	553.00	561.00	8.00	6.9	7.10	4.60
and	570.50	577.80	7.30	6.3	4.54	1.50
including	576.00	577.80	1.80	1.5	9.40	0.43
<b>C89-6</b>	603.48	609.00	5.52	4.7	7.00	1.20
including	603.48	606.00	2.52	2.2	11.01	1.70
and	616.00	618.00	2.00	1.7	2.60	0.06
<b>C91-7</b>	441.90	460.00	18.10	15.8	2.70	0.50
including	441.90	449.90	8.00	7.0	4.00	1.00
and	474.60	489.90	15.30	13.4	7.40	0.60
including	477.20	482.00	4.80	4.2	11.60	0.80
and	502.40	570.00	65.40	57.2	2.30	0.10
<b>C97-5A</b>	611.84	627.86	16.02	11.2	1.84	0.60
<b>C95-10</b>	727.20	730.00	2.80	1.4	4.80	1.33
and	747.20	748.40	0.70	0.4	2.03	0.19
<b>C95-11</b>	675.30	676.50	1.20	0.6	11.90	1.30
and	679.90	685.80	5.90	3.0	7.27	0.52
including	682.90	685.80	2.90	1.5	10.18	1.01
and	704.60	710.60	6.00	3.1	2.49	0.36
<b>C97-12</b>	612.50	633.50	21.00	14.7	4.20	4.00
including	620.00	630.70	10.70	7.5	6.20	6.30
<b>C97-13</b>	no intersections					

C97-14				no intersections		
<b>C97-15</b>	384.40	400.60	16.20	12.8	3.6	2.8
including	384.40	392.00	7.60	6.0	3.0	4.3
including	393.80	398.10	4.30	3.4	5.5	2.2
and	404.00	413.50	9.50	7.5	4.6	0.6
and	438.70	442.90	4.20	3.3	3.4	1.1
and	473.40	478.00	4.60	3.6	5.5	1.0
and	485.70	495.70	10.00	7.9	2.3	1.0
<b>C97-16</b>	383.70	384.40	0.70	0.6	1.7	0.03
and	394.90	395.50	0.60	0.5	1.1	0.2
and	427.50	430.60	3.10	2.6	2.6	1.4
and	435.00	437.00	2.00	1.7	4.0	0.03
and	565.20	572.70	7.50	6.4	1.6	0.5

A re-assessment of the current area covered by the Property north of the Duncan Mine by Cominco geologists indicated that an additional “900 meters of strike length of the structure has the potential to host 5 MMT (“Million Metric Tonnes”) of 11.5% Zn and 1% Pb in No. 7 Zone and 2 MMT of 7% Zn and 0.3% Pb in the No. 8 Zone. If the known mineralization is projected 2,100 meters north (in the persistent plunge direction) to Jubilee Point, there is room for 16 MMT at 10% Zn.” (D.W. Moore (1997): “Duncan Mine Property: Proposal to Test Attractive Zinc Potential Close to Trail”). It was also noted that the 7<sup>th</sup> northward plunge of the mineralized zone would be amendable to decline access and underground drilling as proven at the Duncan Mine. The potential quantity and grade stated above is conceptual in nature and there has been insufficient exploration to define a mineral resource. This represents a target for further exploration and it is uncertain if such further exploration will result in the target being delineated a mineral resource.

The scientific and technical information about the Property set out in this MD&A was obtained from a Technical Report for the Property dated December 13, 2016 and prepared for the Company, by R.A. (Bob) Lane, M.Sc., P. Geo. (the “Technical Report”). Mr. Lane advises that the geological data set out in the Technical Report was predominantly generated by Cominco during the 1989-1997 period and were recorded exploration assessment reports that were submitted to the British Columbia Ministry of Energy and Mines for property assessment credits. While Mr. Lane advises that he has made no attempt to verify the data, he states in the Technical Report that there is no reason to doubt its accuracy or veracity. Mr. Lane advises that he attempted to examine the drill core from 1989 to 1997 but advised that the observed racked or stacked core was quite disheveled. He stated that more than three-quarters of the core boxes could be recovered and re-racked and following that, the intact core could be verified. Mr. Lane advised that he collected some character core samples and had MS Analytical Laboratories in Langley, British Columbia, analyze the core. Mr. Lane advises that the historic drill data for the Property was adequate and that it provides a sound technical framework upon which future exploration programs could be built. Mr. Lane stated in the Technical Report that the level of QA/QC instituted by Cominco during its four phases of drilling was not known.

R.A. (Bob) Lane, M. Sc., P. Geo., a consulting geologist, is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mining Projects* and has reviewed and approved of the technical disclosure in this MD&A.

### **2017 Exploration Program – Duncan Lake Zinc-Lead Property**

The Company has received a Mines Act Permit (the “Permit”) from the British Columbia Ministry of Energy and Mines authorizing exploration activities including surface diamond drilling. The Permit expires in September 2019.

Prior to drilling the Property, the Company commenced a preliminary program consisting of further data collection and compilation. This work includes recovery, re-organization and re-logging of selected historical drill core, analysis of selected core intervals for silver and gold and structural study to target initial drill holes.

### ***Big Copper Property, Canada***

The Big Copper Property ("Big Copper") is located in the Fort Steele and Slocan Mining Divisions, British Columbia, Canada and is approximately 45 kms by road west of Kimberly, British Columbia. The Company holds a 55% interest in Big Copper.

During the period ended December 31, 2012, the Company and its consultants conducted preliminary soil and silt geochemical surveys and prospecting along with evaluating all private and public data to select potential future exploration targets.

The Company conducted minimal exploration work on Big Copper during the year ended December 31, 2013 and no exploration work was done in fiscal years 2014, 2015 and during the current year.

### **2017 Exploration Program - Big Copper**

Results from that exploration work have been received and an assessment report, including recommendations for further work, has been completed and submitted.

Other than the assessment work required to maintain the claims, the Company has put exploration plans on Big Copper on standby pending improvements in the copper price.

*Further information on the Company's projects can be found on its website at [www.rokmaster.com](http://www.rokmaster.com)*

## **Significant Accounting Policies**

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB").

There were no changes to the Company's significant accounting policies during the year ended December 31, 2016 in comparison to the year ended December 31, 2015, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2016 and the adoption of the accounting policy for marketable securities.

### **Adoption of New and Amended IFRS Pronouncements**

Effective January 1, 2016, the Company adopted new and amended IFRS pronouncements and have applied them in accordance with the transitional provisions outlined in the respective standards. The adoption of the new and amended IFRS pronouncements will result in enhanced financial statement disclosures in the Company's interim or annual consolidated financial statements or a change in financial statement presentation. These pronouncements did not affect financial results.

More detail on these new and amended IFRS pronouncements are provided in Note 3 of the consolidated financial statements for the year ended December 31, 2016.

## Critical Accounting Estimates and Judgments and Estimates

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There have been no significant changes to the Company's critical accounting estimates for the year ended December 31, 2016 from those disclosed in Note 4 of the audited consolidated financial statements for the year ended December 31, 2015.

## Selected Annual Financial Information

The table below sets forth selected financial data, in Canadian dollars, relating to the Company for the years ended December 31, 2016, 2015 and 2014:

		IFRS		
		For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014
Total revenue	\$	Nil	\$ Nil	\$ Nil
Net loss	\$	(497,878)	\$ (218,884)	\$ (2,867,787)
Comprehensive loss		(505,378)	(278,884)	-
Basic loss per share	\$	(0.01)	\$ (0.00)	\$ (0.07)
Total assets	\$	551,613	\$ 412,472	\$ 285,652
Total current liabilities	\$	2,064,694	\$ 1,847,507	\$ 1,495,844
Total non-current liabilities	\$	Nil	\$ Nil	\$ Nil
Cash dividends	\$	Nil	\$ Nil	\$ Nil

The Company is in the exploration stage and therefore, does not have revenues from operations. The Company's operating activities are dependent on the Company's working capital.

The Company's net loss for the year ended December 31, 2016 increased by \$278,994 when compared to the year ended December 31, 2015. The increase was mainly due to the no exploration and evaluation recovery recognized by the Company during the current year.

The Company's net loss for the year ended December 31, 2015 decreased by \$2,648,903 when compared to the year ended December 31, 2014. The decrease was mainly due to the following: (1) suspension of all exploration work and diamond drilling on the Pinaya Project coupled with the proceeds of \$630,000 from the closing of the Kaizen transaction which was recorded against exploration and evaluation expenditures; (2) there was no write-off of mineral properties during the year compared to \$910,231 in the prior year; and (3) there was no share-based compensation in the current year compared to \$217,441 in the prior year.

Rokmaster's total assets and total liabilities increased by \$139,141 and \$217,187, respectively, from December 31, 2015 to December 31, 2016. Total assets increased primarily from the closing of the first tranche in late December 2016 and offset by the sale of marketable securities held by the Company as at December 31, 2015 and total liabilities increased primarily as the Company continued to accrue and extend payment to its vendors, primarily to related parties.

Rokmaster's total assets and total liabilities increased by \$126,820 and \$351,663, respectively, from December 31, 2014 to December 31, 2015. Total assets increased primarily from the marketable securities held by the Company as at December 31, 2015 and total liabilities increased primarily as the Company continued to accrue and extend payment to its vendors, primarily to related parties.

## Results of Operations

Rokmaster is an exploration stage company and its properties are in the early stages of exploration and none of the Company's properties are in production. Therefore, exploration and evaluation expenditures and administrative expenses relating to the operation of the Company's business are being expensed as incurred. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations in the near future. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations. Additional financing will be required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities.

### **For the twelve months ended December 31, 2016 compared to the twelve months ended December 31, 2015**

The net loss for the twelve months ended December 31, 2016 (the "Current Year") was \$497,878 or \$0.01 loss per share compared to the net loss for the twelve months ended December 31, 2015 (the "Comparative Year") of \$218,884 or \$0.00 loss per share. The increase in net loss of \$278,994 was primarily due to the combination of the following:

- Exploration and evaluation expenditure increased by \$570,370 to \$49,858 during the Current Year compared to a recovery in the Comparative Year of \$520,512. The main reason for the recovery in 2015 was the recognition against exploration and evaluation expenditure of the compensation received from the termination of the Pinaya Option in the fourth quarter of 2015. The Company did not have the same transaction with Kaizen Discovery Inc. ("Kaizen") during the Current Year;
- Write-off of drill equipment decreased by \$113,947 to \$nil in the Current Year compared to the Comparative Year. This was also an expense that was related to the transaction with Kaizen Discovery Inc. which closed in October of 2015. Accordingly, that the Company did not incur a similar expense in the Current Year; and
- Decreases in other operating expenses such as consulting fees, depreciation, professional fees, rent, and travel, public and shareholder relations and conferences. The decreases were primarily due the Company's efforts to preserve capital as well as contain costs where it can considering the current and prolonged unfavorable market conditions to raise capital.

The Company recognized Other Expenses of \$85,273 during the Current Year compared to \$110,133 in the Comparative Year, a decrease of \$24,860. The decrease was mostly the net result of an increase in interest expense during the Current Year of \$37,816 due to a true up on interest for long overdue trade payables and a decrease of \$55,749 relating to a write-off of other assets taken by the Company in the Comparative Year with respect to the transaction with Transworld Mining Investments S.A.C.



**For the three months ended December 31, 2016 compared to the three months ended December 31, 2015**

The net loss for the three months ended December 31, 2016 (the "Current Quarter") was \$172,249 compared to a net income for the three months ended December 31, 2015 (the "Comparative Quarter") of \$438,949. The increase in net loss of \$611,198 was primarily due to the same factor discussed in the Current Year over Comparative Year comparison above – i.e. exploration and evaluation recovery in the Comparative Quarter resulting from the \$630,000 payment by Kaizen to terminate the Pinaya Option.

### **Summary of Quarterly Results**

The table below summarizes selected financial data, in Canadian dollars, of the Company for the three months ended December 31, 2015, and the previous seven quarters.

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total Revenue	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Income (loss)	\$(172,249)	\$(100,455)	\$(112,490)	\$(112,684)	\$438,949	\$(303,859)	\$(172,702)	\$(181,272)
Basic loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)
Total Assets	\$551,613	\$384,365	\$425,060	\$321,633	\$412,472	\$137,735	\$306,611	\$264,720
Mineral Interests	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500

The Company recognized a net income of \$439,949 during the quarter ended December 31, 2015 compared to a net loss of \$303,850 for the third quarter of 2015 primarily due to the recognition of the \$630,000 recovery on exploration and evaluation as a result of the closing of the Kaizen transaction.

The Company's net loss for the quarter ended September 30, 2015 increased by \$131,157 compared to the quarter ended June 30, 2015 primarily due to the \$113,947 write-off of drill equipment and \$52,867 write-off of other assets, net of decreases in other operating expenses. The same reason contributed to the decrease in total assets of \$168,876 between the two quarters.

The Company's net loss for the three months ended March 31, 2015 decreased by \$1,009,215 compared to the quarter ended December 31, 2014 primarily due to the Pinaya Project \$910,231 write-off taken by the Company during the quarter ended December 31, 2014 and none during the quarter ended March 31, 2015.

### **Liquidity and Capital Resources**

As of December 31, 2016, the Company had \$345,977 in cash. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds.

At December 31, 2016, the Company had a working capital deficiency of \$1,590,081. The Company's current assets are not sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required and the Company will have to raise additional funds to continue its operations.

## Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

Based on the Company's financial position as at December 31, 2016, the Company will need to complete additional external financing either through equity, debt or other forms of financing. As other opportunities become available to the Company and subject to the resumption of exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

### Going Concern

Rokmaster's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue, has an accumulated deficit of \$8,724,258 and a working capital deficiency of \$1,590,081 at December 31, 2016. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt (*see Notes 10, 12, 19b and 19e of the consolidated financial statements for the year ended December 31, 2016*). The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. In addition to evaluating financing options, the Company implemented cost savings measures and deferred payments owed to related parties.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

## Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at December 31, 2016 or as at the date hereof.

## Transactions with Related Parties

As at December 31, 2016, the Company's related parties consist of the Company's directors and companies controlled by executive officers and directors of the Company.

Name / Personal Corporation	Relationship	Nature of Transaction
Canam Mining Corporation ("Canam")	A private company controlled by John Mirko – President, CEO and Director	Management and geological consulting fees
0909074 B.C. Ltd. ("0909074")	A private company controlled by Dennis Cojuco – CFO	Management consulting fees
Somji Consulting Ltd. ("Somji")	A private company controlled by Feisal Somji – Director	Consulting fees
L. M. Okada Ltd. ("Okada")	A private company controlled by Larry Okada – Director	Directorship fees
Antonio de Quadros ("Antonio")	Director	Directorship fees
Ernest Peters ("Ernest")	Director	Directorship fees

The Company incurred fees and expenses in the normal course of operations in connection with the companies controlled by key management and directors. Details are as follows:

	Notes	For the year ended December 31, 2016	For the year ended December 31, 2015
Consulting fees	(i)	\$ 188,600	\$ 202,350
Geological consulting fees included in exploration and evaluation expenditures	(ii)	-	9,900
		\$ 188,600	\$ 212,250

- (i) During the year ended December 31, 2016, the Company paid or accrued management consulting fees of \$116,600 (December 31, 2015 - \$130,350) to Canam and management and financial consulting fees of \$72,000 (December 31, 2015 - \$72,000) to 0909074.
- (ii) During the year ended December 31, 2016, the Company paid or accrued geological consulting fees of \$nil (December 31, 2015 - \$9,900) to Canam.

Included in accounts payable and accrued liabilities as at December 31, 2016 are:

- \$518,018 (December 31, 2015 - \$395,588) owing to Canam for management and geological consulting fees;
- \$111,028 (December 31, 2015 - \$76,866) owing to the Company's CEO for reimbursable expenses;
- \$83,397 (December 31, 2015 - \$83,397) owing to Somji for consulting fees and reimbursable expenses;
- \$160,100 (December 31, 2015 - \$118,600) owing to 0909074 for management and financial consulting fees; and
- \$18,300 (December 31, 2015 - \$18,300) in directors fees were owing to the Company's other three directors.

### Loans from related parties

As at December 31, 2016, \$322,300 (December 31, 2015 - \$308,300) is the balance of various short-term loans from a director of the Company. The loans are unsecured, non-interest bearing loans and are without fixed repayment terms. Subsequent to year end, the full balance outstanding of \$322,300 was settled by the Company.

As at December 31, 2016, \$216,849 (December 31, 2015 - \$193,024) is the balance, including accrued interest, of the three short-term loans from a director of the Company. Two loans bear interest at 1.5% per month, are unsecured and were due between July 17, 2014 and September 19, 2014. The Company and the director are currently negotiating a mutually agreeable repayment date with respect to these loans. The other loan bears no interest, is unsecured and has no fixed repayment term. As at December 31, 2016, the Company has accrued interest of \$79,849 (2015 - \$56,024) relating to the balances outstanding from the two interest bearing loans.

### **Compensation of Key Management Personnel**

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company.

The remuneration of the Company's key management personnel for the year ended December 31, 2016 and 2015 are as follows:

	Note	December 31, 2016	December 31, 2015
Management and geological consulting fees	(i)	\$ 188,600	\$ 212,250
<b>Total</b>		<b>\$ 188,600</b>	<b>\$ 212,250</b>

(i) Management and geological consulting fees include those disclosed in the table above.

Key management personnel were not entitled to post-employment, termination or other long-term benefits during the years ended December 31, 2016 and 2015. The above transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

### **Proposed Transactions**

At the present time, there are no other proposed transactions or as at the date hereof.

### **Risks and Uncertainties**

The risk factors associated with the principal business of the Company are discussed below. Briefly, these include the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a very small probability of finding economic mineral deposits. In addition to the general risks of mining, there are country-specific risks associated with operating in a foreign country, including currency, political, social, and legal risk.

Due to the nature of the Company's business and the present stage of exploration and development of its projects, the Company may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

### Exploration and Mining Risks

Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company will rely on consultants and others for exploration and development expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are:

- the particular attributes of the deposit, such as size, grade and proximity to infrastructure;
- metal prices, which are highly cyclical; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's projects and any other properties the Company may acquire, or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

### Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future unless and until such time as the Company's project(s) advances or any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. . No deposit that has yet been shown to be economic has yet been found on the Company's projects. There can be no assurance that the Company will be able to acquire any additional properties. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's projects and any other properties the Company may acquire are added. The amounts and timing of expenditures will depend on:

- the progress of ongoing exploration and development;
- the results of consultants' analysis and recommendations;
- the rate at which operating losses are incurred;
- the execution of any joint venture agreements with strategic partners; and
- the acquisition of additional properties and other factors, many of which are beyond the Company's control.

The development of mineral properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

### Additional Funding Requirements

Further exploration and development of the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully explore and develop its projects. Accordingly, to continue exploration and development of the Company's properties will depend upon its ability to obtain financing through debt and/or equity financing, joint ventures, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

### Competitors in the Mining Industry

The mining industry is highly competitive in all of its phases. Considering the Company's current size and stage of operations, Rokmaster faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities. As a result of this competition, the Company may not be able to obtain required financing and maintain personnel, technical resources or attractive mining properties on terms the Company considers acceptable.

### Risks That Are Not Insurable

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. Rokmaster may become subject to liability for pollution, cave-ins or hazards against which it cannot insure. The payment of such liabilities could result in increases in the Company's operating expenses which could, in turn, have a material adverse effect on the Company's financial position and its results of operations. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons. In these events, the Company could incur significant liabilities and costs that could materially increase Rokmaster's operating expenses.

### Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of exploration results, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

### Environmental Matters

All of the Company's mining operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

#### Conflicts of Interest

Certain of the Company's directors and officers may serve as directors or officers of other companies or companies providing services to the Company or they may have significant shareholdings in other companies. Situations may arise where these directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

#### Lack of Revenues; History of Operating Losses

The Company does not have any operational history or earnings and has incurred net losses and negative cash flow from its operations since incorporation. Although the Company will hope to eventually generate revenues, significant operating losses are to be anticipated for at least the next several years and possibly longer. To the extent that such expenses do not result in the creation of appropriate revenues, the Company's business may be materially adversely affected. It is not possible to forecast how the business of the Company will develop.

#### Reliance on Key Personnel

The Company will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company.

Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals. There can be no assurance that the Company will be able to attract, assimilate or retain qualified personnel in the future, which would adversely affect its business.

#### General Economic Conditions

Market conditions and unexpected volatility or illiquidity in financial markets may adversely affect the prospects of the Company and the value of its shares.

### **Dividends**

Rokmaster has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Rokmaster and will depend on Rokmaster's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Rokmaster deem relevant.

## Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

## Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Rokmaster's general and administrative expenses and resource property exploration expenses is provided in the Company's *Consolidated Statement of Loss and Comprehensive Loss and Shareholders' Equity* contained in its audited consolidated financial statements for the years ended December 31, 2016 and 2015 which is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Outstanding Share Data

Rokmaster's authorized capital is unlimited common shares without par value. As at April 28, 2017, the following common shares, agent warrants, finders' warrants and incentive stock options were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	104,423,306	N/A	N/A
Share Purchase Warrants	7,700,110	\$0.06	Dec 28, 2018
Share Purchase Warrants	6,017,000	\$0.06	Apr 5, 2019
Incentive Stock Options	115,000	\$0.25	Sep 24, 2017
Incentive Stock Options	950,000	\$0.13	May 28, 2019
Incentive Stock Options	250,000	\$0.13	Jul 14, 2019
Incentive Stock Options	7,950,000	\$0.06	Jan 30, 2022
Fully Diluted	127,405,416		

## Financial Instruments and Other Instruments

The Company classifies its cash, amounts receivable (excluding sales tax receivable) and reclamation bond as loans and receivables and marketable securities as available for sale financial assets. Accounts payable and accrued liabilities, loans from related parties and loan payable are classified as borrowings and other financial liabilities. As of December 31, 2016, the statement of financial position carrying amounts of these financial instruments closely approximate their fair values, except for accounts payable and accrued liabilities, loans from related parties and loan payable where the fair value may be less than carrying amounts due to liquidity risks.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.



**Level 2** – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following provides the valuation method of the Company's financial instruments as at December 31, 2016 and December 31, 2015:

	Level	As at December 31, 2016	As at December 31, 2015
Loans and receivables	1	\$ 359,852	\$ 20,863
Available for sale financial assets	1	\$ 60,000	\$ 270,000
Other financial liabilities	1	\$ 2,064,694	\$ 1,847,507

## Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash and short-term investment with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. As at December 31, 2016, the Company had cash of \$345,977 to settle current liabilities of \$2,064,694. Further information relating to liquidity risk is disclosed in the "Liquidity Outlook" section of this MD&A.

### Market Risks

The significant market risks to which the Company is exposed are currency and interest rate risks.

The operating results and financial position of the Company are reported in Canadian dollars. As the Company conducts exploration and property examinations in other countries outside of Canada, some of the Company's transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks. The Company has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions for property examinations incurred in other countries outside of Canada is not significant and therefore does not hedge its foreign exchange risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk arises primarily from interest earned on the short-term investment. Cash is not subject to interest rate risk since it does not bear interest.

### **Capital Management**

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work. In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended December 31, 2016 compared to the year ended to December 31, 2015. The Company is not subject to externally imposed capital requirements.

### **Recent Developments and Outlook**

The Company expects to obtain financing in the future primarily through further equity and debt financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its resource properties.

### **Subsequent Events** *(Please refer to Overall Performance section of this MD&A)*

## Controls and procedures

### Internal Control Over Financial Reporting

The Company's management is responsible for establishing adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The Company's management has evaluated the effectiveness of the design and operation of the Company's internal control over financial reporting as of the period covered by this report. Based on the result of the assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal controls over financial reporting are effective.

### Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate in order to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

## Corporate Governance

### Composition of the Board of Directors

The Board of Directors of Rokmaster is at present comprised of five directors, three of whom are considered to be independent.

## Approval

The Board of Directors of Rokmaster Resources Corp. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## Additional Information

Additional information relating to Rokmaster can be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.rokmaster.com](http://www.rokmaster.com) or by contacting the Company at Suite 1601 - 675 West Hastings Street, Vancouver, BC Canada V6B 1N2 or at Tel: (604)632-9602 or via email: [info@rokmaster.com](mailto:info@rokmaster.com)

### **ROKMASTER RESOURCES CORP.**

/s/ "John Mirko"

John Mirko

President and Chief Executive Officer

### **ROKMASTER RESOURCES CORP.**

/s/ "Dennis Cojuco"

Dennis Cojuco

Chief Financial Officer