BRANCO RESOURCES LTD.

Management's Discussion and Analysis

For the nine months ended January 31, 2016
Prepared as of March 21, 2016

Contact Information

Branco Resources Ltd.
4005 – 1011 West Cordova Street
Vancouver, B.C. V6C 0B2

Telephone: (604) 408-1990
Fax: (604) 608-4822

GENERAL

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations for the nine months ended January 31, 2016. The MD&A should be read in conjunction with the condensed interim financial statements and notes thereto ("Statements") of Branco Resources Ltd. ("Company") for the nine months ended January 31, 2016. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of March 21, 2016.

NATURE OF BUSINESS

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on January 23, 2012. As the Company did not complete its Qualifying transaction ("QT") within 24 month period, the Company is listed under NEX Capital Pool, a separate board of TSX Venture Exchange (TSX-V). Until the completion of a QT, the Company will remain on the NEX.

Until completion of a QT the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential QT. With the consent of the TSX-V, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Company's amended final prospectus dated October 22, 2012, the funds raised pursuant to the Company's IPO and any subsequent financing will be utilized only for the identification and evaluation of potential QTs and not for any deposit, loan or direct investment in a potential acquisition.

On February 27, 2015, The Company entered into a stock purchase and sale agreement with Apolo, S.A. de C.V. and its shareholders to acquire 60% interest in Apolo.

There is no assurance that the Company will be able to close the QT or that it will be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms, which are satisfactory to it. Furthermore, there is no assurance that the businesses acquired will be profitable.

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results, which are materially different than 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.

MANAGEMENT

Sokhie Puar, Clive Brookes, John Hewlett and Sean O'Neil are the directors of the Company. Sokhie Puar is President and CEO and Clive Brookes is the CFO.

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

DISCUSSIONS OF OPERATIONS AND FINANCIAL CONDITION

On February 27, 2015, the Company entered into a stock purchase and sale agreement (the "Agreement") with the shareholders of Minera Apolo, S.A. de C.V. ("Apolo") to acquire 60% of Apolo's issued and outstanding common shares.

Apolo is a privately owned exploration company with certain mining concessions located in the State of Zacatecas, Mexico (the "Property"). Pursuant to the terms and conditions of the Agreement, the Company will earn the 60% interest by:

- Paying an aggregate of USD$250,000 to the shareholders of Apolo on the Closing Date and a further USD$250,000 to the shareholders of Apolo on or before 8 months from the Closing Date;
- Issuing a total of 20,000,000 common shares of the Company in installments over an 18 month period beginning on the Closing Date;
- Funding exploration expenditures of a minimum of USD$3,500,000 by advancing funds to Apolo on or before 12 months from the Closing Date (the "Funding Commitment"); and

- Lending to Apolo, or arranging for a third party to lend to Apolo, a minimum of USD$1,000,000 on or before 12 months from the Closing Date (the "Loan").
- The Company shall not issue dividends until the financing and the loan are fully paid.

On closing, subject to the terms and conditions set forth in Agreement, the Company will pay an additional USD$100,000 to the Apolo shareholders annually as long as all of the following conditions are satisfied:

- Apolo reaches a production of 250 tons per day on the Property;
- any portion of the Funding Commitment remains outstanding and payable;
- any portion of the Loan remains outstanding and payable;
- the price of gold is over USD$1,100 per ounce; and
- the price of silver is over USD$17 per ounce.

The Company will grant a 1.5% net smelter royalty ("NSR") on the Property to the shareholders of Apolo. The Company will have a right of first refusal on the NSR and on the remaining 40% Interest held by the Apolo shareholders.

Concurrent with the transaction with the Apolo shareholders, the Company will conduct a private placement of up to 85,000,000 common shares at a price of no less than $0.05 per share. A finder's fee of up to 8% in either cash or shares or a combination of cash and shares may payable on all or a portion of the financing.

The transaction with the shareholders of Apolo was conditionally accepted by the Exchange. The transaction is subject to Exchange final acceptance.

Loan agreement

Pursuant to the Agreement, the Company enter into a loan agreement with Apolo as follow

Amount	**Maturity**
US$ 20,000	September 18, 2016
US$ 18,000	October 30, 2016
CA$ 50,000	October 30, 2016

The loan subject to 10% interest per annum, payable on the maturity date.

If the closing of the transaction occurs before the payment date, then the principal amount will be due on demand by the Company and no accrued interest will be owned by Apolo.

The Company's expenditures include costs to maintain a public company in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties. Public company costs include professional fees for audit and legal, transfer agent fees, exchange listing and filing fees and costs of preparing, printing, filing and mailing quarterly reports, annual general meeting materials and other continuous disclosure documents to shareholders, as applicable.

Results of Operations

The Company's loss for the nine months ended January 31, 2016 was $8,655, compared to a loss of $217,124 for 2015. The Company had a gain of $255,066 on foreign exchange during the nine month period due to the increase in the US dollar against the Canadian dollar. Major variations are described below.

Professional fees consist of legal and accounting fees. Professional fees amounted to $19,806 (2015 - $85,173), a decrease of $65,367. In the comparative period, the company incurred cost for retaining Mexican legal counsel and of the audit of the financial statements of Apolo and its subsidiary.

Office and administration expenses are costs related to operating and administering the company offices and corporate finance activities. Office and administration expenses were $76,979 (2015 - $26,235), an increase of $50,744. The increase was due to additional resources required to do the work to move towards closing the Apolo acquisition.

Project evaluation expenses consist of expenses related to geological study to evaluate and complete a QT. Project evaluation expenses amount to $76,665 (2015 - $47,905), an increase of $28,760 relate to the evaluation of the Apolo project.

Filing and listing fees consist of fees paid to government, transfer agent, TSX Venture exchange and other regulators. Transfer and regulatory fees amounted to $21,147 (2015 - $12,783), an increase of $8,364 and relate to the regulatory filing of Apolo project.

Property investigation expenses consist of expenses related to identify and complete a QT including consulting fee and travel expense. Property investigation expenses amounted to $69,124 (2015 – $66,353), an increase of $2,771 and relate to the evaluation of the Apolo project.

During the nine months ended January 31, 2016, the Company expended cash of $379,684 (2015 – $203,232) on operating activities. This include the loan of $100,052 (2015 - $nil) to Apolo as per the loan agreements (note 9). Cash used in operations consist of cash used to fund the loss for the period less the impact of non cash items, and the cash used for working capital purposes.

During the nine months ended January 31, 2016, the Company paid $25,000 from financing activities compare to received $527,813 in 2014. The impact on cash due to the change in the US dollar to the Canadian dollar was an increase of $259,194 (2014 – $Nil).

The Company's cash and cash equivalents decreased by $145,490 (2014 – increase $324,581) during the period. The company will continue to expend funds on closing the QT.

Summary of Quarterly Results

Quarter Ended	Revenues $	Gain/(Loss) for the Period $	Gain/(Loss) Per Share $	Total Assets $	Total Long Term Liabilities $	Cash Dividend Declared $
January 31, 2016	Nil	4,952	0.00	2,284,704	Nil	Nil
October 31, 2015	Nil	(13,607)	(0.01)	2,285,431	Nil	Nil
July 31, 2015	Nil	49,039	0.01	2,349,765	Nil	Nil
April 30, 2015	Nil	(180,423)	(0.03)	2,330,693	Nil	Nil
January 31, 2015	Nil	(67,280)	(0.01)	389,241	Nil	Nil
October 31, 2014	Nil	(76,712)	(0.01)	251,275	Nil	Nil
July 31, 2014	Nil	(73,132)	(0.02)	188,404	Nil	Nil
April 30, 2014	Nil	(35,251)	(0.02)	55,643	Nil	Nil

Quarterly Statement of Operations

Statement of Operations	January 31, 2016 $	October 31, 2015 $	July 31, 2015 $	April 30, 2015 $
Share-based payments	Nil	Nil	Nil	Nil
General & administrative expenses	97,601	84,186	81,934	108,190
Foreign exchange loss/(gain)	(102,553)	(21,540)	(130,973)	72,233
Loss/(gain) for the period	(4,952)	62,646	(49,039)	180,423

Statement of Operations	January 31, 2015 $	October 31, 2014 $	July 31, 2014 $	April 30, 2014 $
Share-based payments	Nil	Nil	Nil	Nil
General & administrative expenses	82,440	82,877	73,132	35,251
Foreign exchange gain	(15,160)	(6,615)	Nil	Nil
Loss for the period	67,280	76,712	73,132	35,251

Over the past four quarters, the Company has worked primarily to identify and complete a QT. During the quarter ended January 31, 2016 the Company incurred general & administrative expenses totaling $97,601 compared to $82,440 in 2014.

The level of the Company's operating expenses relate to the activities to support the due diligence, discovery and acquisition of the Company's potential QT. These expenses can vary significantly between periods and consequently seasonal and observable trends may not be meaningful. Share-based payments vary from quarter to quarter due to the number of options granted and/or vested during the period.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2016 the Company had cash and cash equivalents of $2,160,871 and working capital of $2,2,250,385.

During the nine months ended January 31, 2016, the Company received $125,000 pursuant to share subscription agreements at $0.05 per share. The Company also returned $150,000 to an investor for share subscription amendment.

On June 10, 2014, the Company completed a non-brokered private placement of 3,062,000 common shares at $0.05 per share for total proceeds of $153,100.

On July 29, 2014, the Company completed a non-brokered private placement of 1,500,000 common shares at $0.05 per share for total proceeds of $75,000.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

As a capital pool company, the Company's only source of revenue will be interest income, thus working capital is expected to decrease pending the completion of a QT. The Company has sufficient funds to cover anticipated administrative expenses throughout the year. It will continue to focus on completing its QT. Additional financing will be required subject to the closing of the Agreement with Apolo shareholders date February 27, 2015

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company is not yet party to any industry contracts or arrangements and does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RISKS AND UNCERTAINTIES

The Company is a capital pool company under the policies of the TSX-V. As the Company did not complete its QT within the 24 month period the Company was moved to the NEX. Until the completion of a QT the Company will remain on the NEX.

Although management of the Company will work diligently to identify a QT, there is no assurance that a QT will be entered into nor completed.

Until completion of a QT the Company is not permitted to carry on any business other than the identification and evaluation of potential QT.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and cash equivalents. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company’s accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal terms of trade.

c) Foreign Currency Risk

The Company's operations are conducted in both United States and Canadian dollars. To date, all equity financings transacted by the Company have been conducted in Canadian dollars. The Company will maintain certain of its cash holdings in United States dollars. Future fluctuations in the value of the Canadian relative to the US dollar may have a material and adverse effect on the Company's ability to conduct financings in the future.

RELATED PARTY TRANSACTIONS

During the nine months ended January 31, 2016 and 2015, the following payments were made or accrued to the executive directors and companies controlled by executive directors of the Company:

	2016	2015
Accounting fees	$ 9,000	$ 5,000
Office and administration	$ 69,337	$ 22,500
Property investigation	$ nil	$ 4,000

During the nine months ended January 31, 2016, the Company accrued to Sunrise Communications Ltd., a management company who employs the accounting staff controlled by Clive Brookes, a director and CFO of the Company, $9,000 (2015 - $5,000) for accounting services. The Company paid or accrued to SNJ Capital Ltd., a company controlled by Sokhie Puar, a director and CEO of the Company, $69,337 (2015 - $22,500) for office administration and $nil (2015 - $4,000) for property investigation.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

CRITICAL ACCOUNTING POLICIES

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the audited financial statements for the year ended April 30, 2015.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is included in this MD&A.

CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flows from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As of March 21, 2016, the following common shares and options were outstanding:

	Number of shares	Exercise price	Expiry date
Issued and Outstanding Common Shares at March 21, 2016	**8,002,000**		
Options Outstanding	444,000	$ 0.10	November 8, 2017
Fully Diluted at March 21, 2016	**8,446,000**		

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

APPROVAL

On March 21, 2016, the Board of Directors of Branco Resources Ltd. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information such as the complete financial statements, on the SEDAR website at www.sedar.com.