

# **GMV MINERALS INC.**

**Management Discussion and Analysis of  
Results of Operations and Financial Condition  
For the Six Months Ended December 31, 2016 and 2015**

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**GMV MINERALS INC.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015**

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(Dated February 28, 2017)

**INTRODUCTION**

This Management Discussion and Analysis (“MD&A”) of GMV Minerals Inc. (the “Company” or “GMV”) provides analysis of the Company’s financial results for the six-month period ended December 31, 2016 and should be read in conjunction with the Company’s unaudited consolidated financial statements and the notes thereto for the six-month period ended December 31, 2016. The MD&A was prepared by GMV’s management and approved by the Board of Directors on February 28, 2017.

**FORWARD LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

**DISCLAIMER**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)). No securities commission or regulatory authority has reviewed the accuracy of the information presented herein. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company’s approach to governance issues. Committees of the Board presently consist of an Audit Committee.

**CAUTIONARY STATEMENT RISKS AND UNCERTAINTIES**

This MD&A may contain “forward looking statement” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate”, and similar expressions are intended to identify forward-looking statements, which by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied, by these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavorable feasibility studies, fluctuations in the market valuation for the minerals, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company does not intend, and does not assume any obligation to update these forward-looking statements.

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**OVERVIEW**

GMV Minerals Inc. (the “Company”), formerly Holcot Capital Corp. (“Holcot”), was incorporated on May 18, 2006 under the Business Corporations Act of British Columbia as a Capital Pool Company.

On December 21, 2007, Holcot completed its qualifying transaction by acquiring 100% of Goldmember Ventures Corp. (“GVC”). GVC was incorporated on January 11, 2006 under the Business Corporation & Act of British Columbia and on February 27, 2007 amalgamated with Mount Dent Resources Inc., a company incorporated on June 14, 2006 in the Province of Ontario. The acquisition of GVC was accomplished through an exchange of shares which resulted in the former shareholders of GVC obtaining control of the Company. Accordingly, this transaction was recorded as a reverse takeover (“RTO”) for accounting purposes as GVC was deemed to be the acquirer and these consolidated financial statements are a continuation of the financial statements of GVC while the capital structure is that of the Company.

The Company changed its name from Holcot Capital Corp. to Goldmember Minerals Inc. on December 21, 2007, and on March 13, 2008 changed its name to GMV Minerals Inc.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

The Company is in the process of exploring its principal mineral properties in SE Arizona and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss of \$1,189,022 (2015: \$262,713) for the six months ended December 31, 2016, and had an accumulated deficit of \$21,884,874 (June 30, 2016 - \$20,695,852) which has been funded primarily by the issuance of equity. The Company’s ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected.

**SELECTED ANNUAL INFORMATION**

<b>For the year ended:</b>		<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Total revenues	\$	-	-	-
Loss before extraordinary items:				
Total for the year		412,687	965,053	608,498
Per-share (basic and diluted)		(0.03)	(0.09)	(0.09)
Net loss:				
Total for the year		412,687	965,053	608,498
Per-share (basic and diluted)		(0.03)	(0.09)	(0.09)
Working capital (deficiency)	\$	131,337	23,665	823,112
Total assets		927,380	558,175	1,040,313
Resource property costs		594,180	377,671	65,600
Total long-term financial liabilities		-	-	-
Cash dividends declared per common share		-	-	-

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**Results of Operations for the Three-Month Periods Ended December 31, 2016 and 2015**

During the three-month period, a total of \$448,333 (2015 - \$22,144) was incurred on the Company's Mexican Hat property in Arizona which includes an amount of \$26,414 (US\$20,000) for an additional reclamation bond. The balance of \$421,919 in costs were for assaying, geological consulting, legal fees, drilling, and consulting fees for environmental work, as well as the quarterly payment as per the lease agreement.

The Company incurred \$132,937 (2015 - \$143,772) in operating costs for the three-month period and recorded \$380,200 in share-based payments as a result of two option grants for a total loss of \$462,184 (2015 - \$102,561).

The Company recorded an unrealized gain of \$436 (2015: \$Nil) on its marketable securities to reflect the fair market value as at December 31, 2016, realized a foreign exchange gain of \$2,330 (2015 - \$143) and earned \$2,311 (2015 - \$Nil) in interest.

**Results of Operations for the Six-Month Periods Ended December 31, 2016 and 2015**

During the six-month period, a total of \$627,477 (2015 - \$61,574) was incurred on the Company's Mexican Hat property in Arizona which includes an amount of \$51,964 (US\$39,950) for two additional reclamation bonds. The balance of \$575,513 in costs were for assaying, geological consulting, legal fees, drilling, and consulting fees for environmental work, as well as the quarterly payment as per the lease agreement.

The Company recorded \$266,509 (2015 - \$176,161) in operating activities for the six-month period and recorded \$792,700 (2015 - \$41,600) in share-based payments as a result of two option grants for a total loss of \$1,189,022 (2015 - \$262,713). Higher costs for the current period were realized in regulatory fees and shareholder and investor relations costs as a result of the closing of two non-brokered private placements during the six-month period.

The Company recorded an unrealized loss of \$2,182 (2015: \$Nil) on its marketable securities to reflect the fair market value as at December 31, 2016, realized a foreign exchange gain of \$3,169 (2015 - \$89) and earned \$2,499 (2015 - \$Nil) in interest.

On July 6, 2016, the Company closed a private placement and issued 3,500,000 units at \$0.20 per unit for gross proceeds of \$700,000. Each unit consisted of one (1) common share and one-half (1/2) common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional common share at \$0.30 for eighteen (18) months. At June 30, 2016, \$30,000 of the subscription proceeds had been received by the Company.

On July 8, 2016, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 500,000 common shares exercisable on or before July 7, 2021 at a price of \$0.30 per share.

On August 15, 2016, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 500,000 common shares exercisable on or before August 15, 2021 at a price of \$0.60 per share.

On August 31, 2016, the Company closed the first tranche of its non-brokered private placement consisting of 4,532,000 units at a price of \$0.50 per unit and raised gross proceeds of \$2,266,000 with all securities issued having a four-month hold period which expires on January 2, 2017.

On September 9, 2016, the Company closed the second, and final, tranche of its non-brokered private placement by issuing an additional 1,333,726 units at a price of \$0.50 per unit to raise gross proceeds of \$666,863 with all securities issued having a four-month hold period which expires on January 10, 2017.

Each unit in this offering consists of one common share of the Company and one half share purchase warrant. Each full warrant entitles the holder to purchase one (1) additional common share of the Company at a price of \$0.65 per share at any time within 18 months of the closing. The warrant will also include an acceleration clause whereby if the trading price of the Company's shares on the TSX Venture Exchange for 10 consecutive trading days (the "Premium Trading Days") exceeds \$1.00 per share during the exercise period the expiry time of the warrants shall be accelerated, at the option of the

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Company, such that the expiry time will be 30 calendar days. This 30-day period will commence seven calendar days after the tenth Premium Trading Day.

Total gross proceeds for the private placements were \$2,932,863 with a total of 5,865,726 shares and 2,932,863 warrants being issued. The Company paid an aggregate of \$85,462 in cash and issued 170,924 finder's warrants ("Finder's Warrants") in connection with this tranche of the offering. Each Finder's Warrant entitles the holder to acquire one common share of the Company at \$0.65 per share for 18 months from the date of closing. The Finder's Warrants are issued on the same terms and conditions as the private placement warrants.

During the six-month period ended December 31, 2016, 4,811,400 common shares were issued in exercise of warrants at various prices per warrant for gross proceeds of \$592,265. Common shares were also issued for the exercise of 50,000 options at a price of \$0.10 per option for gross proceeds of \$5,000.

**SUMMARY OF QUARTERLY RESULTS**

	<b>2<sup>nd</sup> Quarter Ended Dec 31, 2016</b>	<b>1<sup>st</sup> Quarter Ended Sept 30, 2016</b>	<b>4<sup>th</sup> Quarter Ended June 30, 2016</b>	<b>3<sup>rd</sup> Quarter Ended March 31, 2016</b>
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for the period	\$1,189,022	\$578,278	\$68,954	\$80,770
(c) Loss per share	\$0.04	\$0.023	\$0.005	\$0.005
	<b>2<sup>nd</sup> Quarter Ended Dec 31, 2015</b>	<b>1<sup>st</sup> Quarter Ended Sept 30, 2015</b>	<b>4<sup>th</sup> Quarter Ended June 30, 2015</b>	<b>3<sup>rd</sup> Quarter Ended March 31, 2015</b>
(d) Revenue	Nil	Nil	Nil	Nil
(e) Loss for the period	\$160,462	\$102,561	\$475,003	\$224,358
(f) Loss per share	\$0.01	\$0.009	\$0.04	\$0.02

**LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2016, the Company had net working capital of \$3,176,440 compared to net working capital of \$131,337 as at June 30, 2016. The Company has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

**OFF-BALANCE SHEET ARRANGEMENT**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**CORPORATE INTERNAL CONTROL**

The Company practices strict internal controls through proper segregation of responsibilities and internal reporting of its personnel. Agreements and commitments that involve cash and/or share capital distribution such as private placements, stock option grant, property, service, and consulting agreements require Board of Directors approval through Directors' Resolution. The Company's drilling and exploration programs and budgets are planned and approved by the Company's President & CEO and the Company's Vice President of Exploration. All cash distribution requires the Company's President & CEO and CFO to approve to ensure that all expenses are accurate and aligned with the Company's budget. Approved share capital distribution is executed through Treasury Orders that require final approval from the Company's President & CEO and CFO. These internal control procedures are established and strictly practiced to ensure the Company's goals and best interest of the shareholders are effectively carried out.

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**RESOURCE PROPERTIES**

**Mexican Hat Property**

On May 14, 2014, the Company entered into a binding agreement with Norman A. Pearson to secure a 100% interest in a Mining Lease originally dated December 14, 2002. The Company has the exclusive right and privilege to explore and mine for certain material and the right to use the surface of the property as may be required for all purposes related to the prospecting, exploration, development and production of minerals from the property. The property consists of 40 unpatented lode mining claims and two situated in Cochise County, Arizona, USA. The lease remains in effect for the period that the claims are maintained in good standing.

Under the terms of the agreement the Company is required to make payment as follows:

- (a) Cash payment of USD\$40,000 (paid).
- (b) 50,000 common share purchase warrants at an exercise price of \$0.50 for a period of 24 months from the date of the agreement (issued).
- (c) 50,000 common share purchase warrants at an exercise price of \$1.00 for a period of 24 months from the date of the agreement (issued).

On April 27th, 2015, the Company received final regulatory approval on the assignment of two State of Arizona Exploration Permits. These are Permit No. 08-117862 covering an area of approximately 187 hectares located in Section 16; Lots 1,2,3,4,6,7; N2; NESE, T19S, R25E and Permit No. 08-117863 covering an area approximately 197 hectares located in Section 9; SWNE; W2NW; SENW; SW; E2NE; N2SE, T19S, R25E. These sections are located directly adjacent to the Company's current land holdings in Cochise County, S.E. Arizona. The two exploration licenses are south of the Victor Claims and contain the same Tertiary volcanic rocks and structures that host the mineralization currently being assessed by the Company.

On November 13, 2015, the Company announced that it had acquired a 100% interest in Permit No.'s 08-118167 & 08-118106 covering Township 19 South, Range 25 East, (Sections 10 and 3). The two exploration permits are located adjacent to the Victor Claims to the east. The favourable Tertiary volcanic rocks and structures that host the mineralization currently being assessed by the Company are projected onto these licenses.

In January 2017, the Company acquired a 100% interest in four new exploration permits at the Arizona State Land Department (ASLD). These permits further extend the north and northwest boundaries of its Mexican Hat gold exploration project located in S.E. Arizona. The Company has now increased its land position by approximately 2,573 acres within the last month.

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**Property Update**

In addition to the Company's initial claim package, the Company acquired a 100% interest in two additional ASLD exploration permits (Arizona State Permit No.'s 08-118167 & 08-118106) covering Township 19 South, Range 25 East, (Sections 10 and 3) bringing the total of State claims to four. The two newly acquired exploration permits are located adjacent to the Victor Claims to the east. The favourable Tertiary volcanic rocks and structures that host the mineralization currently being assessed by the Company are projected onto these licenses. The Company's ASLD permit portfolio is now approximately 1,845 acres.

In early June 2016, the Company mobilized heavy equipment and broke 22 tonnes of rock from mineralized latite at the Mexican Hat property which had previously tested to range between 0.5 and 1.8 gpt gold and averaging close to 0.7 gpt gold. This material was bagged in 24 - 1 yd<sup>3</sup> megabags, crated and palletized. Each megabag was estimated to contain approximately 770 kg for a total estimated sample of 18.5 tonnes. The Company commenced a large-scale column leach metallurgical test on a 7.5 tonne portion of the 18-tonne bulk sample which is currently under leach with results expected towards the end of 2016. The purpose of this program was to conduct an industry standard run of mine (ROM) test to assess the gold recoveries of this mineralization.

As part of this ongoing programme, the Company was pleased to report the results of three bottle roll tests. The three samples of mineralized rock, one from each of the major rock units on the property was selected to be representative of typical mineralization in all of the major host rocks identified to date. One sample was a subset of the 18-tonne bulk sample (see NR June 15, 2016), one was of rhyolite from a depth of 13 m downhole on diamond drillhole MH-11-008, and one was of trachybasalt from a depth of 122 m downhole on diamond drillhole MH-11-005. (See news release dated August 2, 2016). The results continue to demonstrate very high gold recoveries.

Recently, the Company engaged Arizona-based Zonge International, Inc. ("Zonge") to conduct a geophysical test using robust geophysical methods (audio frequency magnetotellurics) which will be utilized to identify potential future drill targets. This is designed to identify weakly conductive units (fractured rocks with associated alteration) to depths of 300m to 600m. This is of particular importance as, to date, all known mineralization is either exposed at surface or is within 100m depth of exposed structures. Such structures were easily identified by VLF-EM surveys completed in the past, but VLF-EM cannot penetrate overburden covered areas. This geophysical program may identify these types of structures in areas of limited or no exposure, such as those identified in the recently completed geochemical survey. This survey is scheduled to commence in November 2016.

On November 18, 2016, the Company announced that its drill program is underway at its Mexican Hat gold property in S.E. Arizona. The Company's 14-hole reverse circulation drilling program is specifically designed to expand mineral resources to the west, east and south of the existing Mexican Hat gold resource. The drill program will test along strike of the known mineralization and to the southeast where a previous operator identified significant gold mineralization. The program will also test down to a depth of 300m per hole to explore mineralization below historical drilling of 200m from surface.

In addition, the Company reports that its run of mine (ROM) testing in a large column leach is still recovering economically significant gold after 119 days under leach. At the recommendation of John Fox, P.Eng., our consulting metallurgist, and in discussion with the Dr. Alice Shi at Bureau Veritas, GMV will continue to leach this material until no further significant gold values are recovered. Ian Klassen, GMV's CEO commented "upon concluding the bulk sample leach test, the remaining rock in the test will be assayed to confirm the reconciled head grades and subsequently the exact percentage of recovery. We eagerly await those results".

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**SHARE CAPITAL**

**Issued and outstanding:**

As at February 28, 2017, there are 32,415,706 shares outstanding.

**Warrants:**

As at February 28, 2017, there are 5,759,712 warrants outstanding.

**Stock options:**

As at February 28, 2017, there are 3,190,000 options outstanding.

**RELATED PARTY TRANSACTIONS AND BALANCES**

During the six-month period ended December 31, 2016 and 2015, the Company had the following related party transactions and balances:

- (a) As at December 31, 2016, due from related party includes \$20,000 (2015 - \$20,000) advanced to a company controlled by the president of the Company. This amount is unsecured, non-interest bearing and due on demand.
- (b) As at December 31, 2016, accounts payable includes \$81,900 (2015 - \$39,500) in amounts owing to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.
- (c) The Company incurred a total of \$85,000 (2015 - \$75,000) to a company controlled by an officer of the Company for management services.
- (d) The Company paid or incurred a total of \$36,000 (2015 - \$36,000) to a company controlled by a director of the Company for management services.
- (e) The Company paid \$33,000 (2015 - \$27,000) to company controlled by an officer of the Company for accounting fees.
- (f) The Company paid \$9,000 (2015 - \$9,000) to a company controlled by an officer of the Company for rent.

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the periods ended December 31, 2016 and 2015. Short-term key management compensation consists of the following for the three months ended December 31, 2016 and 2015:

	<b>2016</b>	<b>2015</b>
Management fees	140,535	111,000
Accounting fees	37,150	27,000
Share-based payments	435,985	41,600
	<u>613,670</u>	<u>179,600</u>

The transactions noted above were measured at the exchange amounts which were agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.



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**COMMITMENTS**

The Company is committed to various requirements per the option agreements. The Company has agreements with certain members of senior management. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent to three months of salary which amounts to \$81,000 (2015 - \$69,000).

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

(a) Financial Instruments

As at December 31, 2016, the Company's financial instruments consist of cash, marketable securities, due to/from related parties, and accounts payable. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

(b) Fair Value Measurements

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash and cash equivalents, marketable securities, due to/from related parties, and accounts payable.

The fair values of cash and marketable securities are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at December 31, 2016, the Company believes that the carrying values of accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

(c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$3,412,884 consisting of cash and cash equivalents and marketable securities. The Company limits its exposure to credit loss for cash and cash equivalents and marketable securities by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents and marketable securities is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at December 31, 2016, the Company had a working capital of \$3,176,440. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at December 31, 2016 the Company has sufficient working capital to discharge its existing financial obligations for the coming year. At December 31, 2016, the Company had accounts payable of \$309,272. (June 30, 2016 - \$178,960), which are due during the third quarter of fiscal 2017.

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(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash bears interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal.

(iv) Foreign Currency Risk

The Company's currency risk exposures arise from transactions denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the US dollar. The Company incurs mineral exploration expenditures denominated in the US dollar. Fluctuations in the exchange rates between the US dollar and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

(v) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

**Risks and Uncertainties**

Exploration and Development

Exploration for minerals or precious gems is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company will result in discoveries of commercial metal reserves.

Mining and development risk always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of a natural occurring mineral deposit. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed.

Metal and prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors, beyond the control of the Company, may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares may be affected by such volatility.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

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Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate GMV Minerals Inc.

**CONFLICTS OF INTEREST**

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which GMV Minerals Inc may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, GMV Minerals Inc will follow the provisions of the Business Corporations Act in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of GMV Minerals Inc are required to act honestly, in good faith and in the best interests of the Company.

**DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management so that appropriate decisions can be made regarding public disclosure. The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures.

Based on that evaluation, management has concluded that as of the end of the period covered by this management discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – Certification of disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal controls over financial reporting during the six-month period ended December 31, 2016 that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under National Instruments 52-109 for the six-month period ended December 31, 2016. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee. Based on the evaluation, management has concluded that the design of these internal controls and procedures over financial reporting was effective.

**SUBSEQUENT EVENTS**

Subsequent to December 31, 2016, 31,250 and 40,000 common shares were issued in exercise of warrants and options at \$0.30 per warrant and \$0.10 per option respectively for gross proceeds of \$13,375.