

Fiore Exploration Ltd.

Management's Discussion and Analysis
of Financial Condition and Results of Operations
For the year ended January 31, 2017

Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of Fiore Exploration Ltd. (the "Company"), and should be read in conjunction with the accompanying audited financial statements and related notes for the year ended January 31, 2017. The preparation of financial data is in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All figures are reported in Canadian dollars unless otherwise indicated.

The effective date of this report is May 26, 2017.

Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, but are not limited to, a change in the use of proceeds, the volatility of mineral prices, the possibility that exploration efforts will not yield economically recoverable quantities of minerals, accidents and other risks associated with mineral exploration and development operations, the risk that the Company will encounter unanticipated geological factors, the Company's need for and ability to obtain additional financing, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company's exploration and development plans, and the other risk factors discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com) with Canadian securities regulators. We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. This information speaks only as of the date of this MD&A. The Company undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.

Description of Business

The Company was incorporated on March 31, 1988 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange under the symbol "F" and quoted on the OTCQB in the United States under the symbol "FIORF".

The Company's registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver BC, V7Y 1B3.

The Company is a Vancouver-based junior mineral exploration company engaged in the business of acquiring, exploring, evaluating and, if warranted, developing mineral resource properties. No revenue has been generated since inception and there is no assurance that a commercially viable mineral deposit exists on our exploration and evaluation assets.

In July 2016, the Company entered into an agreement for the rights to acquire the Pampas El Peñon project in Chile from Arena Minerals Inc and its wholly owned subsidiary, Arena Chile SpA, (together, "Arena"). Arena held an underlying option agreement with Sociedad Quimica Y Minera de Chile SA ("SQM"), which they agreed to sell to the Company. Consideration for the purchase of the underlying option agreement from Arena consisted of 9,550,000 shares of the Company issued to Arena and 5,350,000 common shares issued to SQM, with a value of \$9,685,000. In order to exercise the option, the Company has assumed Arena's commitments to SQM, which include cash payments of US\$750,000

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(\$298,125 paid (US\$225,000)) and an expenditure commitment on the project of \$1,830,000 USD by July 2017. As at January 31, 2017, \$1,710,403 has been spent on the Pampas El Peñon project. The Company issued 870,000 common shares as transaction and advisory fees in relation to this agreement with a value of \$565,500 and incurred cash transaction costs of \$66,960.

The Pampas El Peñon property consists of 13 mining claims totaling 3,400 hectares located approximately 130 kilometres southeast of Antofagasta, Chile. The property consists of two separate blocks, lying immediately to the west and north of Yamana Gold's Pampa Augusta Victoria mine complex that forms part of El Peñon mine complex. El Peñon mine began production in 1999 and has an established history of exploration success. The mine produced 227,000 ounces of gold and 7.7 million ounces of silver in 2015 with reported cash costs of US\$621 and US\$8.38 an ounce respectively (Yamana Gold 2015 Annual Report).

The Pampas El Peñon property covers land in the same geological environment as Yamana's El Peñon deposit hosting several identified north-south-trending structures at or near surface. Three of these structures have been traced for more than 2 kilometers in strike length each. Epithermal Au-Ag targets are hosted by rhyolite domes and dykes, with strong north-south siliceous structures containing highly anomalous silver, arsenic and antimony values, similar to the surface expressions of many of the mineralized veins in the area.

In connection with the Acquisition, in August 2016, the Company closed a private placement of 20,000,000 shares at \$0.26 per common share for gross proceeds of \$5,200,000.

Subsequent to acquiring the project, the Company carried out a ground magnetic survey of the two concession areas and completed a 19 hole 8,227 m reverse-circulation ("RC") drilling program targeting north-south trending rhyolite domes and dykes adjacent to the Pampa Augusta Victoria open-pit and underground mines. The drilling program was designed to intersect structures associated with mineralization and prioritize areas for follow-up drilling.

Drilling has confirmed the presence of epithermal structures with strongly elevated pathfinder element values (arsenic and antimony) and low but anomalous gold and silver values in 7 of 19 holes. These zones of anomalous gold, silver and pathfinder elements may represent the upper zones of mineralized epithermal vein structures at depth.

A 43-101 compliant report, dated July 4, 2016, and titled "NI 43-101 Technical Report on the Pampas El Peñon Property, Province and Municipality of Antofagasta, Antofagasta Region (II), Chile" has been filed on SEDAR.

In November 2016, the Company announced the acquisition from SQM of two additional projects in the same area, Pampas El Peñon South and Cerro Tostado (see press release dated Nov.14, 2016). The Pampas El Peñon south concessions cover an area of approximately 400 Ha and are located approximately 3 km south of, and directly on strike with Yamana's Pampas Augusta Victoria mine. The concessions are also approximately 1 km southeast of the Company's El Peñon West concession block. The Company's land position now surrounds the Pampas Augusta Victoria mine on three sides. Very little work has been conducted in this area, but limited regional rock sampling has found elevated arsenic values.

The Cerro Tostado project consists of five concessions totalling approximately 1,500 Ha approximately 12 km southwest and 8 km east-southeast of Yamana's El Peñon and Fortuna mines respectively, and along strike from the principal veins reported at the Fortuna mine. A large hill, Cerro Largato, forms a north-south elongated outcrop of argillic altered and brecciated rhyolite that intrudes and is in fault contact with porphyritic andesitic units and dacitic to rhyodacitic units towards the east and southeast. These outcropping units are surrounded by gravel and caliche covered areas. Alteration is most intense along the breccia bodies that are spatially related with the dominant N-S and NW-SE structural trends. Associated with the argillic alteration and structural trends are variable intensities of hematite-jarosite bearing veinlets.

Previous work by SQM has included geological mapping and sampling, trenching, and approximately 1,937 m of RC drilling in 17 holes. The results have confirmed the presence of structurally controlled silver-dominated mineralization, with highly anomalous levels of silver, arsenic and antimony and anomalous levels of lead and zinc.

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Since the acquisition, the Company completed a ground magnetic survey in December 2016 consisting of 324.3 line kilometres of surveying at 50 m line spacing. The survey identified a number of ENE-SSW, and NW-SE linear structures, with the intersection of these structures representing the most favourable location for epithermal vein emplacement.

In January 2017, Fiore geologists began a program of re-logging and resampling the material from the SQM RC holes, which had been stored at a secure SQM facility in Chile. Fiore geologists submitted over 825 samples from the previous SQM drilling for re-analysis by ICP-AES at ALS Chemex Laboratories as part of a complete re-logging program. The re-assay results have confirmed the three key high-grade silver intercepts, and suggest that the original SQM assay method, which used the flame atomic absorption method, may have underestimated the silver grades.

Hole	From (m)	To (m)	Width (m)	SQM Assay (g/t silver)	Fiore Re-Assay (g/t silver)	Change
TEAR-07	28	30	2	830	943	+14%
CTAR-01	97	100	3	637	685	+8%
CTAR-02	185	187	2	333	413	+24%

A field program of geological, structural and alteration mapping as well as surface sampling and additional geophysical surveys was also completed in Q1 2017, to build up a more complete picture of the epithermal veins encountered in the previous program. A combined diamond and RC drilling program commenced in May 2017 (see PR of May 4, 2017)

The Company can earn a 100% interest in the Cerro Tostado and Pampas El Peñon South concessions by:

- Spending a total of US\$2,247,700 in exploration expenditures over a five-year period, including a US\$400,900 exploration commitment in the first year;
- Making total cash payments to SQM of US\$1,259,700 over a five-year period, including US\$19,000 in the first year;
- Issuing 500,000 common shares of the Company to SQM (issued);
- Granting SQM a sliding-scale royalty on precious metal production, which at current gold prices would be 2.5%, with a maximum royalty of 5.0% when gold prices exceed US\$2,000 per ounce.

Upon regulatory approval in February 2017, the Company issued 500,000 common shares and paid US\$19,000 to SQM. In connection with this acquisition, the Company issued 10,000 common shares as an advisory fee and incurred cash transaction costs of \$79,068.

The Company's first drilling program at its newly acquired Cerro Tostado project began in May 2017, following an extensive program of mapping, sampling and ground geophysics. The drilling program will consist of approximately 3,000 m of diamond drilling and 1,500 m of RC drilling. The diamond drilling program will target the mineralized SQM structures, which are now much better understood following detailed field mapping and ground geophysical surveying carried out earlier this year. The RC holes will target a possible copper porphyry that was discovered during field mapping and geophysical surveys in the southwestern portion of the concession area. Once the drilling at Tostado is complete, the Company plans to move at least one rig back to Pampas El Peñon to follow up some additional targets there.

In addition, the Company continues to review a number of promising projects ranging from grass-roots to advanced exploration stage, taking advantage of the lack of competition and the significant number of high-quality assets at the pre-development stage.

Vernon Arseneau, P. Geo., the Company's VP Exploration, is the Qualified Person who supervised the preparation of the technical data in this document.

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Outlook

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In addition, the Company continues to review a number of promising projects ranging from grass-roots to advanced exploration stage, taking advantage of the lack of competition and the significant number of high-quality assets at the pre-development stage.

Overall Performance and Results of Operations

Total assets increased to \$24,447,627 at January 31, 2017 from \$292,855 at January 31, 2016. The most significant assets at January 31, 2017, were exploration and evaluation assets of \$12,452,462 (2016 - \$264,341) and cash of \$11,758,934 (2016 - \$553). The increase in cash was primarily due to \$15,384,636 in proceeds on issuance of common shares net of share issuance costs, partially offset by acquisition and exploration costs related to the Company's Chilean properties during the period.

Three months ended January 31, 2017 and 2016

During the three months ended January 31, 2017, the Company recorded a loss of \$1,018,934 (2016 - \$38,181).

Significant expenses incurred during the three months ended January 31, 2017, were as follows:

- Share-based compensation of \$458,547 (2016 - \$nil) - The increase in share-based compensation was due to the granting of 1,350,000 stock options during the period.
- Consulting fees of \$147,665 (2016 - \$nil) - The increase in consulting fees was due to a corporate administration services and technical consulting fees relating to various potential projects.
- Professional fees of \$110,986 (2016 - \$6,947) - The increase in professional fees was primarily due to increased legal fees and audit fee accruals relating to increased business activity, including project investigation.
- Salaries and benefits of \$62,752 (2016 - \$15,000) - The increase in salaries and benefits related to executive compensation during the year.
- Travel of \$77,228 (2016 - \$nil) - The increase in marketing and travel was primarily due to travel expenditures incurred in relation to the acquisition of exploration evaluation assets, and project investigation.

Year ended January 31, 2017 and 2016

During the year ended January 31, 2017 the Company recorded a loss of \$4,256,826 (2016 - \$154,778).

Expenses incurred during the year ended January 31, 2017, were as follows:

- Share-based compensation of \$2,762,829 (2016 - \$nil) - The increase in share-based compensation was due to the granting of 10,220,000 stock options during the year.
- Consulting fees of \$438,862 (2016 - \$250) - The increase in consulting fees was due to a corporate administration services, advisory consulting fees and consulting related to project investigation.

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- Impairment of exploration and evaluation assets \$284,341 (2016 - \$nil) - Impairment of exploration and evaluation assets relates to the impairment of the North Central Ontario claims as the Company determined expenditures on further exploration and evaluation of the claims was not budgeted, nor planned, in the foreseeable future.
- Salaries and benefits of \$197,891 (2016 - \$60,000) - The increase in salaries and benefits related to recruitment fees and executive compensation during the year.
- Office and rent of \$134,695 (2016 - \$38,478) - The increase in office and rent was due to increased business activity and setting up of the Toronto office.
- Marketing of \$220,059 (2016 - \$15,637) - The increase in marketing is related to advertising and promotion of the Company as a result of the change in management and new acquisitions.
- Travel of \$119,155 (2016 - \$nil) – The increase is related to travel for new acquisitions and project investigation.
- Regulatory and transfer agent fees of \$74,074 (2016 - \$16,003) - The increase in regulatory fees was due primarily to filing fees related to the new acquisitions and financings.
- Professional fees of \$160,760 (2016 - \$24,198) - The increase in professional fees was primarily due to increased legal fees and audit fees relating to increased business activity.
- Forgiveness of debt of \$62,750 (2016 - \$nil) - The forgiveness of debt related to settlement of the related party payable and the loan payable during the period.

Liquidity and Capital Resources

As at January 31, 2017, the Company had working capital of \$11,676,079. The Company has sufficient resources to maintain its operations and property commitments for the next twelve months.

During the year ended January 31, 2017, the Company raised net proceeds of \$15,384,636 in private placements from the issuance of 40,071,500 shares.

Outstanding Share Data

As of the date of this report, the Company had 101,854,671 shares outstanding, and 9,350,000 stock options.

Subsequent to January 31, 2017, the Company issued 510,000 shares pursuant to the acquisition of the Cerro Tostado project.

Summary of Annual Results

	January 31, 2017	January 31, 2016	January 31, 2015
Total assets	\$ 24,447,627	\$ 292,855	\$ 286,149
Loss and comprehensive loss for the year	\$ (4,256,826)	\$ (154,778)	\$ (186,548)
Basic and diluted loss per share	\$ (0.06)	\$ (0.00)	\$ (0.00)

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Summary of Quarterly Results

The following is a summary of quarterly financial information prepared in accordance with IFRS:

	<u>Jan-17</u>	<u>Oct-16</u>	<u>Jul-16</u>	<u>Apr-16</u>	<u>Jan-16</u>	<u>Oct-15</u>	<u>Jul-15</u>	<u>Apr-15</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net loss	(1,018,934)	(854,066)	(2,306,345)	(77,481)	(38,181)	(37,389)	(39,844)	(39,364)
Loss per share	(0.01)	(0.01)	(0.05)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Operating expenses increased in Q2 and the rest of 2017 due to share-based compensation and increased business activity relating to new projects and project investigation.

Related Party Transactions

During the year ended January 31, 2017, related party payables increased to \$381,074 (year ended January 31, 2016: \$290,304). This amount included shareholder loans and expense reimbursement of \$57,035 (2016: \$200,304). In fiscal 2017, the Company fully settled outstanding balances owed to previous directors and companies controlled by its previous directors through cash payment of \$358,000 and forgiveness of amounts accrued of \$23,074.

During the year ended January 31, 2017, the Company incurred management fees, director's fees, rent and legal fees to its previous directors or companies controlled by its previous directors of \$33,735 (2016 - \$77,086).

During the year ended January 31, 2017, the Company incurred management salary expense of \$130,520 to the Chief Executive Officer of the Company (2016 - \$nil).

As at January 31, 2017, \$10,198 (2016 - \$nil) was included in trade and other payables was due to related parties, for expenses incurred on behalf of the Company. Amounts are non-interest bearing and due on demand.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the year ended January 31, 2017, including share-based compensation, was \$2,124,078 (2016 - \$72,344).

Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended January 31, 2017.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgements and assumptions about its projects. Management considers the economics of the project,

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including the latest resources prices and the long-term forecasts, the ability to maintain ownership, its future plans and the overall economic viability of the project.

Share-based payments

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant, the valuation assumptions are disclosed.

Recent Accounting Standards Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective:

IFRS 9 – Financial Instruments is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 16: In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The mandatory effective date of IFRS 16 for the Company is for the annual period beginning on or after February 1, 2018.

Risks and Uncertainties

The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources.

The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Financial Instruments and Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. Management has concluded that the Company has adequate financial resources to settle obligations as at January 31, 2017.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

Interest Rate Risk

The only significant market risk to which the Company is exposed is interest rate risk. The Company's cash earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates as a result of the short-term nature of these instruments. The Company's future earned interest is exposed to short-term rates.

Foreign Currency Risk

The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

Fair value

None of the Company's financial instruments are held at fair value, classification into fair value hierarchy has not been provided. Cash, amounts receivable and trade and other payables are held at amortized cost which approximates fair value due to the short term nature of these instruments.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.