



Management Discussion and Analysis

Year ended December 31, 2018 and 2017

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

INTRODUCTION

This MD&A has been prepared by management as at April 26, 2019 and was reviewed and approved by the Board of Directors on that date. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements of Eros Resources Corp. (“Eros”, or the “Company”) and the related notes thereto for the years ended December 31, 2018 and 2017, prepared in accordance with International Financial Reporting Standards (“IFRS”). The information provided herein supplements but does not form part of the financial statements. This discussion covers the year ended December 31, 2017 and the subsequent period up to the date of issue of this MD&A. All monetary amounts are in Canadian dollars unless otherwise specified.

Additional information including annual audited consolidated financial statements and more detail on specific mineral properties discussed in this MD&A can be found on the Company’s website www.erosresources.com and on the Company’s page at www.sedar.com.

This MD&A contains Forward-Looking Information.
Please read the Cautionary Statements on page 3 carefully.

FORWARD-LOOKING STATEMENTS AND INFORMATION

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company's priorities, plans and strategies and the Company's anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected. This information speaks only as of the date of this MD&A. In particular, this MD&A contains forward-looking information pertaining to the following:

- potential receipt of regulatory approvals, permits and licenses and treatment under governmental regulatory regimes;*
- the estimates of the Company's mineral resources or oil and gas reserves;*
- expectations of market prices and costs; and*
- exploration, development and expansion plans and objectives.*

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. These factors include: changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; potential legal and regulatory claims, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; and various other events, conditions or circumstances that could disrupt Eros' priorities, plans, strategies and prospects.

Shareholders are cautioned that all forward-looking statements and information involve risks and uncertainties, including those risks and uncertainties set out above and as detailed in Eros's continuous disclosure and other filings with applicable Canadian securities regulatory authorities, copies of which are available on SEDAR at www.sedar.com. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated event, except as otherwise required by applicable legislations.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

THE COMPANY

The Company's principal business activities include making strategic investments in the junior natural resource industry in North America, along with the acquisition, exploration and development of mineral and oil and gas resource properties in North America. The Company's corporate office is located at Suite 420, 789 West Pender Street, Vancouver, British Columbia. Eros is a Tier 1 company on the TSXV Exchange.

Eros has, as its prime business objective, a focus on making strategic investments with a global focus and a diverse commodity base. The Company is also focused on the identification, acquisition and exploration of advanced projects with a North American focus. The Board and management's expertise in the resource sector supports the selection of these strategic investments.

BELL MOUNTAIN AND EASTGATE PROPERTIES, NEVADA

Eros holds 100% title to the Bell Mountain gold-silver property in the Fairview mining district, southeast of Reno, Nevada, approximately 54 miles (86 kilometers) from Fallon, Nevada.

In August 2016, the Department of the Navy of the United States Department of Defense issued a notice of its intent to prepare environmental impact statements ("EIS") regarding a proposed expansion of the Fallon Range Training Complex, including a proposed withdrawal and reservation for military use of public lands. The Company's Bell Mountain Project consists of unpatented mining claims which are located on federal lands within the proposed EIS area. As a result, surface activity on the Bell Mountain site has been prohibited by the Navy during the EIS period.

On May 4, 2018, the Bureau of Land Management ("BLM") published two notices. The revised proposal increases the proposed net withdrawal of public lands, but includes the concept that the proposed withdrawal of land will be "subject to valid existing rights".

On July 10, 2018, the BLM announced that it has submitted an application to withdraw 769,724 acres for land management evaluation purposes for up to four years from all forms of appropriation under public land laws, subject to valid existing rights. The Navy explained the purpose of the withdrawal is to maintain "current environmental baseline conditions, relative to mineral exploration and development, subject to valid existing rights, in support of a possible legislative transfer of land to the Department of the Navy in furtherance of the Navy's proposed expansion of the Fallon Range Training Complex. At the same time, the application from the Navy no longer included the claim held by the Company, allowing Eros to once again explore on its properties.

In August of 2018, the Company completed its plan of operations for the Bell Mountain project and has submitted the plan to the BLM, and the Bureau of Mining Regulation and Reclamation. In order to limit potential lost time during the Navy's activity, and to assist Eros in establishing the value of the asset, the Board of Directors approved the completion of a preliminary economic assessment ("PEA") for the project, a copy of which is available on the Company's website and on the Company's page at www.sedar.com. Results announced on October 11, 2017 included an NPV of USD \$17.6 million, an IRR of 41.4% and a

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

payback period of 1.7 years. Pre-production capital expenditure was estimated to be USD \$18.5 million. The PEA assumed a gold price of \$1,300/oz and a silver price of 17.5/oz.

While not assured, the Company has a history of successfully obtaining compensation from governments when exploration rights are infringed upon. Should the expansion of the Fallon Range Training Complex cause the Company's exploration rights or water rights to be rescinded or otherwise further infringed upon, the Company intends to seek appropriate compensation.

The Eastgate gold-silver property is situated in the Walker Lane, approximately 14.5 miles (23.5 kilometers) east northeast from the Bell Mountain property. The nearest town in Fallon Nevada, approximately 63 miles (101 kilometers) to the west.

Pursuant to an agreement with Kermode Resources Ltd. ("Kermode"), Eros purchased a 45% interest in the Eastgate property for a total of US \$650,000. Kermode (15% owner).

BRITISH COLUMBIA PROJECTS

Golden Triangle

In 2016, the Company purchased a 5% minor investment interest in certain properties in the Golden Triangle area of northwest BC. The purchase of these rights included a minor share position in SnipGold Corp. These SnipGold Corp. shares were sold for more than the cost of the total acquisition.

SASKATCHEWAN PROJECTS

DENISON JOINT VENTURE

Hatchet Lake and Murphy Lake - At the end of 2018, Eros held 29.89% and 21.04% interests in the joint ventures respectively, located in the shallow, eastern portion of the Athabasca basin of Saskatchewan. The target is unconformity-type uranium deposits similar to the nearby McLean Lake mine. Denison Mines Corp. ("Denison") is the operator of the joint ventures. Eros believes that the uranium market will remain depressed for the foreseeable future and therefore has elected not to contribute to either program for 2016 or 2017 resulting in dilution of the Company's interests.

The **Hatchet Lake** property is located just 17 km north of the McClean Lake uranium mill owned by AREVA-Denison-OURD. Access is by winter road or aircraft.

The **Murphy Lake** property is located approximately 20 km north of the McClean Lake uranium mill. Highway 905 crosses the property but access to most of the targets is by winter road or aircraft.

The Hatchet Lake property is considered prospective for uranium as well as base and precious metals. Historic drill holes have reported U, Ni, Co, Cu, Au and Ag enrichment. The ground geophysical program, now proposed for 2019, will cover areas prospective for the above metals. Historic holes on the property have reported:

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

4.9% Ni, 6.1% Co over 5 meters;
5.9% Cu over 2 meters
21.5g/t Au over one meter;
19.6 g/t Ag, 3.3% Pb, 0.27% Zn over 9.6 meters

The proposed program for 2019 includes reviewing historic core, especially sulphide intersections for additional base or precious metal enrichment.

Oil and gas interests

Flaxcombe Heavy Oil Field

The Company has invested in heavy oil production in the Flaxcombe Field in west central Saskatchewan by funding the drilling of three wells by Westcore Energy Ltd., a related party in which the Company also holds a significant equity position. Eros receives 90% of the net revenue from the wells until the payback of the expenditure is received. Eros also has a right of first refusal to participate in future drilling with Westcore. The wells were drilled, completed and brought online in 2017.

Also in 2018, the Company agreed to lease 415 hectares of land near its Flaxcombe wells from a third party, for a 2-year period with an option to extend the lease for an additional 2 years. The Company also acquired 2D and 3D seismic data for the region and has it analysed in order to help identify potential drilling targets.

The heavy oil market in Canada has suffered from poor economics in 2018 and continuing into 2019 due principally to ongoing delays in the development of pipeline capacity to tide water on the west coast of Canada. The impact of this has severely limited takeaway capacity in the heavy oil regions of western Canada, which has had direct downward pressure on the realized price that Eros and Westcore receive for the heavy oil it produces.

As a result of this downward pressure, the wells drilled in 2017 were no longer economic to produce in the fall of 2018 and early 2019 and Westcore made the decision to take the wells offline. Eros has recorded an impairment loss to bring the carrying value of these properties to nil. The Company also impaired the value of the additional lease and seismic acquired in 2018 to nil.

Both Eros and Westcore believe the wells will return to profitability in 2019 and production will be re-initiated, but the timing of this is uncertain at this time.

QUEBEC

Chateau Fort gold property

The Chateau Fort gold property is 18,867 hectares in size and is located in central Quebec. On March 24, 2015 the Company announced it had optioned the property to Tarku Resources Ltd. ("Tarku"). Under the terms of the agreement, Tarku can earn a 100% interest in the Property, subject to certain underlying diamond rights and Net Smelter Return Royalties. In return, Tarku shall pay \$100,000 in cash and 8 million Tarku shares in staged payments over four years. During 2016 Tarku repaid a promissory note owed to

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

the Company and renegotiated the terms of the option on Chateau Fort, dropping the requirement for further payments in cash or shares.

Eros retains a 2% Net Smelter Returns Royalty on claims not subject to other underlying agreements, of which 1% can be bought down for a payment of \$2 million. In addition, Eros retains the right to maintain its pro rata percentage ownership of Tarku via future financings, and retains a right of first refusal on third party offers to purchase the Property.

OVERALL PERFORMANCE

In 2018, the Company continued to advance on multiple fronts. As discussed above, work on the Company's exploration properties continues in a meaningful and rational fashion. At the same time, the company continues to expand activities on the investment side by making more investments into the junior natural resource space in North America and by actively managing the investments it has already made, with a view to trading these positions in a profitable fashion. Success in the portfolio trading activities depends to a great extent on the relative health in the junior resource market, a market which continues to lag in 2018. Despite this, the Company was able to generate realized gains of \$206,624 in the year (2017 - \$2,317,279).

Oil and gas operations slowed in 2018 due to a combination of both technical and market challenges. The wells in the Flaxcombe field slowed to an exit production rate of approximately 50 barrels per day and subsequently has been taken off line by their operator, Westcore. The heavy oil market in Western Canada is the leading factor in the wells being offline. The lack of pipeline capacity and market access has brought the realized price of heavy oil for operators to a level that is not profitable, which is why the wells have been taken off line. Eros expects production to be re-initiated as the price continues to stabilize. To reflect these difficulties, Eros has written-off its investment in the Flaxcombe field, as production at this point in time is not economic.

OUTLOOK

The Company, in reviewing its investments as well as its assessment of precious metal prospects, considers this to be a suitable time to identify and acquire advanced projects. It is Eros' intent to accelerate efforts to identify suitable projects for acquisition. Acquisition may be in the form of an equity interest in a company holding one or more projects, an earned interest in one or more projects, a business combination, or otherwise.

Meanwhile, Eros continues to search for suitable investment opportunities in mineral projects and prospects. Acquisition may be in the form of an equity interest in a company holding one or more projects, an earned interest in one or more projects, a business combination, or otherwise.

In addition, the Company will continue to monitor its existing investments, and seek to maximize their value, either through divesting, exploring, combining, bringing to production or otherwise as appropriate.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

EVENTS SUBSEQUENT TO DECEMBER 31, 2018:

Subsequent to year-end, the Company entered into a letter agreement with Lincoln Mining Corp, and Lincoln Gold US Corp (collectively “Lincoln”) whereby the Company has agreed to enter into an option and joint venture agreement by June 30, 2019 to earn up to a 75% interest in the Oro Cruz Properties. In consideration for Lincoln to commit to enter into the agreement, the Company shall pay Lincoln USD\$10,000 (paid) and commit to purchase a minimum of \$35,000 of Lincoln securities in the next private placement conducted by Lincoln.

Also subsequent to year-end, 981,250 stock options expired unexercised.

EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation asset spending to December 31, 2018 has been capitalized as follows:

	British Columbia	Saskatchewan		Quebec (Chateau Fort)	Nevada	Total
Commodity	gold	Uranium	Non- producing Oil & Gas	Gold	Gold-Silver	
Balance at December 31, 2016	6,500	-	-	\$ 24,565	\$ 3,072,023	\$ 3,103,088
Additions						
Acquisition costs	-	-	-	-	-	-
Staking and maintenance	-	-	-	-	55,726	55,726
Expense recovery royalties	-	-	-	-	-	-
Geology/ geophysics	-	-	-	-	292,724	292,724
Analyses and assays	-	-	-	-	6,408	6,408
Field support	-	-	-	-	61,151	61,151
Environmental and socio-economic	-	-	-	-	84,865	84,865
Total additions for the year:	-	-	-	-	500,874	500,874
Write-off of exploration and evaluation assets	-	-	-	(24,565)	(3,572,897)	(3,597,462)
Balance at December 31, 2017	6,500	-	-	-	-	6,500
Additions						
Land costs	-	-	55,875	-	54,996	110,871
Staking and maintenance	-	-	-	-	61,241	61,241
Geology/ geophysics	-	4,601	26,580	-	249,225	280,406
Analyses	-	-	-	-	-	-
Field support	-	-	-	-	57,251	57,251

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

	British Columbia	Saskatchewan	Quebec (Chateau Fort)	Nevada	Total	
Commodity	gold	Uranium	Non-producing Oil & Gas	Gold	Gold-Silver	
Environmental and socio-economic	-	-	-	-	26,180	26,180
Total additions for the year:		4,601	82,455	-	448,893	535,949
Write-off of exploration and evaluation assets	-	-	(82,455)	-	-	(82,455)
Balance at December 31, 2018	\$ 6,500	\$ 4,601	\$ -	\$ -	\$ 448,893	\$ 459,994

RESULTS OF OPERATIONS

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information from the audited consolidated financial statements for the years ended December 31, 2018, 2017, and 2016:

Year ended	2018		2017		2016	
Revenue	\$	251,641		365,519	Nil	
Net loss for the year	\$	(1) (5,397,216)	\$	(2) (2,631,658)	\$	(3) (3,063,771)
Basic & diluted loss per share	\$	(0.11)	\$	(0.10)	\$	(0.07)
Total assets	\$	5,750,280	\$	11,127,882	\$	14,930,496
Non-current financial liability	\$	Nil		Nil		Nil
Cash dividends paid	\$	Nil		Nil		Nil

⁽¹⁾ Includes \$23,505 of deferred income tax recovery, \$206,624 realized gain on sale of marketable securities, offset by (\$82,455) of impairment of exploration and evaluation assets, and (\$346,490) of impairment of oil and gas assets. The net loss is higher than in previous periods principally due to unrealized losses on equity investments

⁽²⁾ Includes \$880,000 of deferred income tax recovery, \$2,317,279 realized gain on sale of marketable securities, offset by (\$3,597,462) of impairment of exploration and evaluation assets, and (\$930,286) of impairment of oil and gas assets.

⁽³⁾ Includes \$489,927 of unrealized gain on marketable securities, \$330,014 realized gain on sale of marketable securities, offset by (\$3,212,757) of impairment of exploration and evaluation assets.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

SUMMARY OF QUARTERLY RESULTS

The following table reports selected financial information of the Company for the past eight quarters commencing with the reported financial information for the most recent quarter.

Quarter ended	31-Dec-18	30-Sep-18	30Jun-18	31Mar-18
Increase (decrease) in mineral property acquisition and exploration costs	\$ 140,230	\$ 181,838	\$ 71,497	\$ 59,929
Capitalized oil property costs	\$ -	\$ -	\$ -	\$ -
Revenue ⁽¹⁾	\$ 20,551	\$ 98,522	\$ 64,806	\$ 109,452
Comprehensive income (loss)	\$ (2,575,438) ⁽²⁾	\$ (835,145) ⁽³⁾	\$ (1,365,848) ⁽⁴⁾	\$ (620,785) ⁽⁵⁾
Net Income (loss) per share	\$ (0.5)	\$ (0.02)	\$ (0.03)	\$ (0.01)

Quarter ended	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17
Increase (decrease) in mineral property acquisition and exploration costs	\$ (4,312,940)	\$ 136,581	\$ 911,524	\$ 168,247
Capitalized oil property costs	\$ 175,245 less \$ (930,286) impairment	\$ 1,493,741	\$ -	\$ -
Revenue ⁽¹⁾	\$ 227,377	\$ 138,142	\$ -	\$ -
Net income (loss)	\$ (4,698,169)	\$ (90,929)	\$ 1,302,518	\$ 673,064
Unrealized gain (loss) on marketable securities, net	\$ (815,617)	\$ 1,002,770	\$ (2,483,530)	\$ 538,528
Comprehensive income (loss)	\$ (5,513,786)	\$ 1,093,699	\$ (1,181,012)	\$ 1,211,592
Net income (loss) per share	\$ (0.12)	\$ 0.03	\$ (0.03)	\$ 0.02

⁽¹⁾ The Company was in the exploration stage and had no revenue prior to Q3, 2017.

⁽²⁾ Includes impairment of oil & gas assets of \$346,490, impairment of exploration assets of \$82,455 and unrealized loss on marketable securities of \$1,656,998

⁽³⁾ Includes unrealized loss on marketable securities of \$797,592

⁽⁴⁾ Includes unrealized loss on marketable securities of \$1,415,996

⁽⁵⁾ Includes unrealized loss on marketable securities of \$652,782

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

Discussion of variation in quarterly results

Primary factors influencing the fluctuation in quarterly capitalized property acquisition and exploration costs include whether a new property was acquired, or whether an existing property was written down. Write downs, when they occur, and gains or losses on marketable securities – whether realized or unrealized, also tend to significantly impact net income (loss) and comprehensive income (loss).

Loss for the three months ended December 31, 2018

A net loss of \$2,575,438 (2017 – \$2,631,658) was recorded for the three months ended December 31, 2018, primarily due to the \$1,656,998 unrealized loss on marketable securities that the company experienced in the quarter, along with the \$346,490 impairment in oil and gas properties and the \$82,455 impairment in the company's mineral exploration properties. Oil revenues were down as compared to the prior year, due primarily to significant pricing declines, as discussed above, along with normal production declines from the wells.

Loss for the year ended December 31, 2018

A loss of \$5,397,216 (2017 – \$4,389,507) was recorded for the year ended December 31, 2018, due to a variety of factors, though the largest contributor to the loss was unrealized loss on marketable securities, which made up \$4,523,368 of the total loss. This is primarily driven by market forces outside of the control of management. As the Company's portfolio is generally comprised of early stage exploration companies, large swings in value are to be expected from time to time. The TSX-Venture exchange declined by approximately 33% in the same period. Impairment adjustments contributed an additional \$428,945 to the annual comprehensive loss, though this loss is significantly reduced over that experienced in fiscal 2017 of \$4,527,748. In general, ongoing expenditures were decreased significantly over the prior year, totaling \$661,038 in 2018 as compared to \$1,099,749 in fiscal 2017

Revenue from oil properties were down significantly in the year, reflecting a general decline in price for heavy oil in Canada, as discussed earlier, along with production declines, which are generally associated with normal oil and gas operations. During fiscal 2018, only one of the Company's three wells achieved consistent production, which was also a contributing factor to the decline in revenues. Subsequent to year-end, all of the Company's wells were taken off line by Westcore.

Cash flows for the year ended December 31, 2017

Cash used in operating activities was \$414,066 for the year ended December 31, 2018 as compared with the \$976,977 used in the year ended December 31, 2017, for reasons explained in the loss for the year ended December 31, 2018 section, above. In 2018, Eros continued to invest in marketable securities, investing \$2.3 million as compared with \$1.6 million in 2017. Eros made no further investment in plant and equipment for the Flaxcombe oil and gas field in 2018 whereas \$1.5 million was invested in 2017. In 2018, both investments and operating activities were funded primarily through the use of existing cash and to a lesser extent, the sale of marketable securities which generated \$515,000 in cash, significantly less than the \$3.3 million so generated in 2017.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2018, the Company had working capital¹ of \$799,913 as compared to working capital of \$3,690,049 at December 31, 2017, representing a significant decrease in working capital and liquidity, for a variety of reasons outlined in the previous Cash flows section.

The Company is budgeting administrative costs of approximately \$200,000 for 2019, net of anticipated oil production gross profit, plus any investments or sales of investments that may be made during the upcoming year, based on market conditions.

A deferred income tax liability of approximately \$3.1 million is primarily a result of an expropriation-settlement with the Province of British Columbia. This liability can be eliminated by spending approximately \$12 million on Canadian acquisitions and exploration expenditures within the next 5 years.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the year ended December 31, 2018 and 2017 was as follows:

	Year ended December 31,	
	2018	2017
Share-based compensation	\$ 18,379	\$ 53,737
Short-term benefits	\$ 361,169	\$ 392,847

Short-term benefits consist exclusively of salaries, bonuses, health benefits and consulting fees for key management personnel.

Related party transactions are measured in the normal course of business at the exchange amount as agreed by the parties.

The Company has no written contractual commitments with related parties, apart from an employment agreement with the Chief Financial Officer. In relation to short term benefits as defined above: during the year ended December 31, 2018, Ron Stewart was paid \$250,743 (2017: \$264,483) for services as the former Chief Executive Officer and Director, Andrew MacRitchie was paid \$32,584 (2017: \$61,823) for services of the Chief Financial Officer. Each of the directors was paid \$1,000 per month for their service. Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments paid to key management personnel during the year ended December 31, 2018 and 2017.

In addition, the amount of \$35,679 (2017 – \$28,800) was paid to Skeena in exchange for office rent and certain administrative and accounting services provided to the Company.

¹ Working capital is a non-GAAP measure and is defined as “current assets less current liabilities”

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

Investments in related parties

In September of 2018, the Company acquired 4,400,000 units of Westcore at a price of \$0.02 per unit, in a private placement. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.085 per share for a period of 24 months. Westcore and Eros have a common director.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Adoption of new accounting standards and amendments

The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

Amendment to IFRS 2 Share-based Payment

IFRS 2 *Share-based Payment* clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity settled. This amendment did not have an impact on the Company's consolidated financial statements.

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company's consolidated financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for marketable securities as an adjustment to opening components of equity as at January 1, 2018.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	January 1, 2018	
	IAS 39	IFRS 9
Financial Asset		
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	FVTOCI	FVTPL
Accounts receivable	Amortized cost	Amortized cost
Promissory note receivable	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

As a result of the adoption of IFRS 9, the Company reclassified \$7,608 of unrealized gains/losses recognized in prior years on marketable securities which continue to be held by the Company as at January 1, 2018 from opening accumulated other comprehensive income to opening deficit on January 1, 2018. As a result of adopting IFRS 9, the net change in fair value of the marketable securities, including realized and unrealized gains and losses, if any, is now presented in net income or loss.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. The adoption of IFRS 15 did not have an impact on the Company's consolidated financial statements.

New standards, amendments and interpretations

The Company will be required to adopt the following standard and amendments issued by IASB as described below:

IFRS 16 Leases

A finalized version of IFRS 16 *Leases* replaces IAS 17 *Leases*. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods beginning on or after January 1, 2019.

The Company is in the process of assessing the impact of the adoption of IFRS 16 will have on its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

This new Interpretation, issued by the International Accounting Standards Board (IASB) in June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

The main features of IFRIC 23 are as follows:

- An entity considers an uncertain tax treatment separately or together with other uncertain tax treatments depending on which approach better predicts the resolution of the uncertainty.
- Taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are determined based on whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity reassesses judgments or estimates relating to uncertain tax treatments when facts and circumstances change.

The interpretation is effective for the Company's annual period beginning January 1, 2019. The adoption of IFRIC 23 will not have a material impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The Company's carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short term to maturity. The Company has not hedged its exposure to any of the following risks. Marketable securities are carried at fair value and are marked to market in every reporting period.

Credit Risk

Credit risk is the risk that the Company will incur an unexpected loss as a result of the counterparty to a financial asset failing to meet their contractual obligations. The Company's financial assets that are exposed to credit risk are cash and cash equivalents, accounts receivable, and promissory notes receivable. The Company holds cash with large financial institutions in accordance with the Company's investment policy. Management considers credit risk on cash to be low, as the counterparties are highly rated Canadian banks. The Company is exposed to some credit risk on accounts receivable and promissory note receivable, apart from sales tax refunds receivable.

Interest Rate Risk

Included in the income for the year in these financial statements is interest income on Canadian dollar cash and cash equivalents. As the interest amounts received were small in amount, the Company is not exposed to significant interest rate risk.

Foreign Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A 10% strengthening of the Canadian dollar against the US dollar would have increased the Company's comprehensive loss by \$90,186 (2016 - \$80,255). A weakening of the Canadian dollar would have had the opposite effect.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

Interest rate risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at December 31, 2018 and 2017, the Company is exposed to currency risk through the following financial assets denominated in a currency other than the Canadian dollar:

	December 31, 2018		December 31, 2017	
	US \$	CDN \$	US \$	CDN \$
Cash	380,717	519,215	922,874	1,247,132
Accounts payable	(60,022)	(81,858)	(21,011)	(141,626)

Based on the above, assuming all other variables remain constant, a 10% strengthening of the Canadian dollar against the US dollar would have increased the Company's comprehensive loss by \$43,736 (2017 - \$90,186). A weakening of the Canadian dollar would have had the opposite effect.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value, and are therefore directly affected by fluctuations in the market value of the underlying securities. Changes in market prices of securities in the portfolio have a material effect on net income (loss). A 20% increase in the market prices would have

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

decreased the Company's net loss by \$858,103 (2017 - \$1,156,405). A 20% decrease in the market prices would have increased the Company's net loss by the same amount.

RISKS AND UNCERTAINTY

Success in the mining exploration business is measured by a company's ability to raise funds, secure properties of merit and, ideally, identify commercial deposits on one of its properties. The attainment of these objectives is influenced by many factors not necessarily within management's control.

Risk factors include political risks and government interference, the establishment of undisputed title to mineral properties, environmental concerns and obtaining governmental permits and licenses when required.

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to market trends.

The Company limits its exposure to credit loss by placing its cash with major financial institutions.

The investment in expenditures on exploration and evaluation assets comprises a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, and either the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored ultimately develop into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or will be written off if the properties are abandoned and the claims are allowed to lapse.

EROS RESOURCES CORP.
Management Discussion and Analysis
December 31, 2018

CONFLICTS OF INTEREST

Some of the directors of the Company are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest. In particular, one of the consequences will be that corporate opportunities presented to a director of the Company may be offered to another company or companies with which the director is associated, and may not be presented or made available to the Company. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by Business Corporations Act (British Columbia), applicable securities law, and the procedures prescribed in the corporate governance guidelines published by the BCSC and TSX-V.

OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional disclosure for venture issuers without significant revenue:

Capital Stock updated to April 20, 2018:

Authorized:

Unlimited number of voting common shares

Unlimited number of redeemable, retractable, convertible, preferred shares

Issued: 48,446,854 common shares

Options: 2,500,000 options outstanding
2,500,000 options exercisable

Warrants: 3,243,375 warrants outstanding

Fully diluted: 54,190,229

List of Directors and Officers

Directors

Tom MacNeill, *Saskatoon, SK*
Ross McElroy, *Kelowna, BC*
Ronald K. Netolitzky, *Victoria, BC*

Officers

Ron Netolitzky, President & *CEO*
Andrew Davidson, CFO & Corp. Secretary

Auditors Smythe LLP

Legal Counsel McKercher LLP