

# **Silver One Resources Inc.**

**(Formerly BRS Ventures Ltd.)**

**Management's Discussion and Analysis for the twelve months ended October 31, 2016**

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This Management's Discussion and Analysis ("MD&A") for the three and twelve months ended October 31, 2016, prepared as of December 14, 2016, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and twelve months ended October 31, 2016 of Silver One Resources Inc. (formerly BRS Ventures Ltd.) (the "Company" or "Silver One"), together with the audited financial statements of the Company for the year ended October 31, 2015, as well as the accompanying MD&A for the year then ended (the "Annual MD&A").

The referenced unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

The Company's critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

These documents and other information relevant to the Company's activities are available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.silverone.com](http://www.silverone.com).

## **COMPANY OVERVIEW**

Silver One was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007 and completed its initial public offering as a Capital Pool Company ("CPC") on February 29, 2008. As a CPC, the Company's only business had been to identify and evaluate businesses or assets with a view of completing a Qualifying Transaction ("QT").

On July 27, 2016, the Company completed an option agreement (the "Option Agreement") with Anstag Mining Ltd. ("Anstag"), constituting its QT under the applicable policies of the TSX Venture Exchange ("TSX-V"). Upon completion of the QT, the Company became a Tier 2 mining issuer on the TSX-V under the symbol "BRV". The Company's name was changed to Silver One Resources Inc. on September 1, 2016, and the trading symbol was changed to "SVE".

Effective September 1, 2016, the Company completed a forward stock split of the common shares by way of a stock dividend on a basis of 3 post-split common share for 1 pre-split common share (the "Split"). On the stock split date, the number of pre-split common shares was 21,641,659. The Split resulted in the number of post-split common shares being 64,924,977.

The Company's principal activities include the acquisition, exploration and development of mineral properties. On September 26, 2016, the Company completed the acquisition (the "Acquisition") of all issued and outstanding shares of KCP Minerals Inc. ("KCP"), a subsidiary of First Mining Finance Corp. ("First Mining") and after this transaction holds three Mexican silver projects: Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango.

## **COMPANY HIGHLIGHTS**

Current highlights (including subsequent events up to December 14, 2016) include:

### **Financings**

On September 27, 2016, the Company completed a non-brokered private placement (the "Financing") by issuing 10,000,000 post-split common shares at a price of \$0.25 per common share for gross proceeds of \$2,500,000.

On July 27, 2016, the Company closed a non-brokered private placement by issuing 25,500,000 post-split common shares (8,500,000 pre-split common shares) at a price of \$0.017 per post-split common share (\$0.05 per pre-split common share) for gross proceeds of \$425,000.

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## **Acquisition of KCP Minerals Inc.**

On September 26, 2016, the Company completed the Acquisition of KCP for consideration of 6,000,000 post-split shares.

After closing of the Acquisition and the Financing, First Mining will own 7.2% of the issued and outstanding shares of the Company. First Mining will also have a 2.5% net smelter return ("NSR") on each of the properties. The Company has the right to purchase 1.5% of the NSR for US\$1,000,000.

## **Option Agreement with Anstag Mining Ltd.**

On July 27, 2016, the Company closed an Option agreement with Anstag Mining Ltd. a private British Columbia company (the "Optionor") whereby the Optionor has granted an option to acquire 100% interest in the Margurete Gold Property located 210 kilometres northwest of Vancouver. Upon closing of the Option agreement, the Company issued 600,000 post-split common shares valued at \$10,000 and made a cash payment of \$10,000 on August 15, 2016.

## **MANAGEMENT CHANGES AND APPOINTMENT OF ADVISORS**

On August 5, 2016, the Company announced the appointment of Greg Crowe, P. Geo, to the Company's Board of Directors. On August 22, 2016, Mr. Crowe was appointed President and Chief Executive Officer of the Company. Mr. Crowe is a professional geologist who recently served as the President and Chief Executive Officer of Entrée Gold Inc., a mining Company listed on the TSX, from May 2003 to November 2015. Prior his tenure at Entrée Gold Inc., Mr. Crowe was self-employed from 1997 to 2002, providing exploration and management services to junior resource companies.

The Company concurrently announced the appointment of Carmen Amezcuita Hernandez, CPA, CA as the Chief Financial Officer. Ms. Amezcuita has a strong corporate, financial and accounting background and over five years of experience in the mining industry. She was previously a senior associate at PricewaterhouseCoopers, and has acted as a controller and in various other financial roles for both junior resource issuers and producing mining companies.

Luke Norman has assumed the role as Chairman of the Board. On September 23, 2016 Robert McMorran stepped down from being a director of the Company, and Claudia Tornquist and Raul Diaz were appointed.

Ms. Tornquist is an independent consultant in the metals and mining sector and a director of Kennady Diamonds and Dunnedin Ventures. She previously served as Executive Vice President of Business Development at Sandstorm Gold and as General Manager at Rio Tinto where she held a number of roles in business evaluation, M&A, strategy and business development over 9 years. Ms. Tornquist has a Masters Degree in Mechanical Engineering from The Technical University of Munich and Masters of Business Administration from INSEAD.

Mr. Diaz is an exploration geologist with 35 years experience, primarily with Penoles where he discovered several mines including the Mezcala/Bermejil deposit, part of Goldcorp's Los Filos operation in Mexico, and Capajorco in Peru. He was also in charge of internationalizing Penoles' by opening and managing the Peruvian subsidiary until 1999. He has served as VP Exploration and Director of First Mining Finance, a successor company of Sundance Minerals Ltd., that he cofounded in 2008. Mr. Diaz received a Geological Engineering Degree from the University of Mexico and Masters Degrees from the University of Arizona and Cleveland State University.

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## MINERAL PROPERTIES

### Mexico

#### *La Frazada, Nayarit*

La Frazada consists of a 299-hectare concession along the west margin of the Sierra Madre Occidental and is located within the historic mining district of 'Real del Zopilote' of Nayarit, Mexico. The project is located near power and transportation infrastructure at low elevations and lies approximately 300 km northwest of Guadalajara. The primary mineralized zones consist of the La Frazada vein and the Jambalina West and Jambalina East veins, which are epithermal in nature and have not been constrained either along strike or at depth by drilling. An historic NI 43-101 compliant resource estimate states that La Frazada contains 4.69 million ounces Ag, measured and indicated, at a grade of 250 g/t Ag, and a further 3.85 million ounces inferred at a grade of 224 g/t Ag. The Company has commenced an exploration program consisting of geological mapping and geochemical sampling. Results are expected in Q1 2017.

#### *Peñasco Quemado, Sonora*

The Peñasco Quemado property consists of 3,746 hectares in seven contiguous mining claims located in north-central Sonora, Mexico, 60 km south of the town of Sasabe on the USA-Mexican border. Peñasco Quemado is a volcano-sedimentary, silver-manganese deposit in Tertiary rhyolite and conglomerates. An historic NI 43-101 compliant resource estimate states Peñasco Quemado contains 9.6 million ounces Ag measured and indicated at a grade of 116 g/t. Additional similarly mineralized areas are known at surface, along strike to the southeast of the main resource area and to the west of the established resource. These will require additional exploration to determine their merits for hosting zones of silver mineralization. The Company has commenced an exploration program consisting of geological mapping and geochemical sampling. Results are expected in Q1 2017.

#### *Pluton, Durango*

The Pluton property was reduced in 2015 following a strategic review of its land packages, subject to government approval, into a 6,534-hectare property consisting of three claims known as Pluton, El Real and Los Dos Amigos. Pluton has the potential to host a large silver-rich, high-grade polymetallic (Pb, Zn, Au), carbonate replacement/skarn deposit. The property is located immediately north of the historic "Ojuela-Mapimí Mining District" and to the west of the Excellon's producing La Platosa silver mine

### Canada

#### *Margurete Gold Property*

Attained from the option agreement with Anstarg Mining Ltd., the Margurete Gold Property covers 678 hectares of mineral claims, located in the Phillips Arm area, approximately 120 kilometres northwest of Vancouver, in the Vancouver Mining Division of southwest British Columbia. The Margurete Gold Property was last explored in 2015 with property-wide prospecting, mapping and rock chip sampling run in parallel with a targeted pack-sack diamond drilling program. This short-hole drilling program utilized a Shaw diamond drill (AQ sized core) with an effective penetration depth of approximately 12 metres. The primary target at the Margurete Gold Property is the FB Zone, where Falconbridge encountered gold bearing mineralization at shallow depth. An initial exploration program was completed on the Margurete property in 1986 by Falconbridge. This program consisted of geochemical surveys, ground-based geophysics and a diamond drilling program, which was successful in identifying gold bearing veins believed to be genetically related to the same mineralizing events responsible for the nearby Doratha Morton and Alexandria Gold mines.

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## SUMMARY OF QUARTERLY RESULTS

Three months ended (\$)	October 31 2016	July 31 2016	April 30 2016	January 31 2016
Revenues	-	-	-	-
Net loss <sup>1</sup>	(849,607)	(56,654)	(18,348)	(5,314)
Net loss per share – (basic and diluted) <sup>4</sup>	(0.02)	(0.00)	(0.00)	(0.00)
Total assets <sup>2</sup>	9,197,158	363,354	8,144	28,800

Three months ended (\$)	October 31 2015	July 31 2015	April 30 2015	January 31 2015
Revenues	-	-	-	-
Net income (loss) <sup>3</sup>	3,095	(7,039)	(8,056)	(11,473)
Net income (loss) per share – (basic and diluted) <sup>4</sup>	0.00	(0.00)	(0.00)	(0.00)
Total assets	32,128	35,470	40,838	61,756

1 Net loss for the quarter ended October 31, 2016 is mostly the result of a share-based payment charge as well as an increase in expenses due to the Company's increased activity.

2 Total assets as at October 31, 2016 increased significantly due to the acquisition of KCP and the mineral properties acquired as part of this acquisition.

3 Net income for the quarter ended October 31, 2015 is the result of the CRA reaching a final resolution with the Company and allowing \$9,144 of GST / HST Input Tax Credits for the 2009 and 2010 fiscal years. The increased loss for the quarter ended October 31, 2014 is the result of an accrued liability of \$11,000 reported for GST / HST Input Tax Credits disallowed by the CRA. The Company reported all GST amounts to the appropriate expense classification on the Statement of Loss until the date of the QT. Currently, the Company books a GST receivable for all GST amounts paid.

4 The basic and diluted loss per share calculation results in the same value due to the anti-dilutive effect of outstanding options, if any.

## RESULTS OF OPERATIONS

### For the Three Months Ended October 31, 2016 and 2015

During the three months ended October 31, 2016, the Company reported a net loss of \$849,607 or \$0.02 per share compared to a net income of \$3,095 or \$0.00 per share for the three months ended October 31, 2015. The increased loss was primarily due to a non-cash share-based payments expense of \$590,969 (2015 - \$nil) recognized in respect of the 6,489,996 options granted to directors, officers, and consultants of the Company during the quarter, as well as an increase in corporate activities in connection with the QT, and the resulting administration, listing, professional, and shareholder communication fees. Other than the share-based payment expense discussed above, the most significant expenses of variance to prior periods are as follows:

#### **Administration and office of \$18,668 (2015 - \$34)**

The increase in administration and office expense is the result of the Company's increased activity and a new office lease entered into during the quarter.

#### **Listing fees of \$75,422 (2015 - \$2,000)**

The increase in listing fees is the result of filing fees incurred for closing the QT and becoming a Tier 2 mining issuer on the TSX Venture Exchange, as well as fees related to the Acquisition.

#### **Professional fees of \$59,037 (2015 - \$4,015)**

The increase in professional fees is the result of the Company receiving legal assistance for general corporate and regulatory matters resulting from the Company's increased activity.

#### **Salaries and benefits of \$32,231 (2015 - \$nil)**

Salaries and benefits expense includes fees paid to the Company's President and CEO appointed to the position during the year.

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## ***Shareholder communications of \$36,240 (2015 - \$nil) / Travel and related costs of \$28,773 (2015 - \$nil)***

The increase in shareholder communications and travel and related costs is the result of increased marketing and promotional activities following the QT.

### **For the Twelve Months Ended October 31, 2016 and 2015**

During the twelve months ended October 31, 2016, the Company reported a net loss of \$929,923 or \$0.02 per share compared to a net loss of \$23,473 or \$0.00 per share for the three months ended October 31, 2015. The increased loss was primarily due to a non-cash share-based payments expense of \$590,969 (2015 - \$nil) recognized in respect of the 6,489,996 options granted to directors, officers, and consultants of the Company during the quarter, as well as an increase in corporate activities in connection with the QT, and the resulting administration, listing, professional, and shareholder communication fees. Other than the share-based payment expense discussed above, the most significant expenses of variance to prior periods are as follows:

#### ***Administration and office of \$19,347 (2015 - 217)***

The increase in administration and office expense is the result of the Company's increased activity and a new office lease entered into during the period.

#### ***Listing fees of \$98,124 (2015 - \$11,890)***

The increase is the result of filing fees incurred for closing the QT and becoming a Tier 2 mining issuer on the TSX Venture Exchange, as well as fees related to the Acquisition.

#### ***Professional fees of \$101,619 (2015 - \$20,510)***

The increase is the result of the Company receiving legal assistance for general corporate and regulatory matters resulting from the Company's increased activity.

#### ***Salaries and benefits of \$42,975 (2015 - \$nil)***

Salaries and benefits includes fees paid to the Company's President and CEO appointed to the position during the year.

## ***Shareholder communications of \$37,186 (2015 - \$nil) / Travel and related costs of \$31,436(2015 - \$nil)***

The increase in shareholder communications and travel and related costs increased due to the increased marketing and promotional activities following the QT.

### **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

#### **Net Working Capital including Cash and Cash Equivalents**

As at October 31, 2016, the Company had \$2,622,767 in cash and cash equivalents and a working capital of \$2,573,558, compared to cash of \$31,253 and working capital of \$17,267 at October 31, 2015. The increase in working capital of \$2,556,291 was primarily due to the \$2,925,000 of gross proceeds provided from the private placements during the period.

#### **Operating Activities**

Cash used in operating activities for the twelve months ended October 31, 2016 was \$305,262 compared to cash used of \$39,405 in the twelve months ended October 31, 2015. The cash used in operating activities related mostly to an increase in corporate activities in connection with the QT and subsequent Acquisition of KCP, and the resulting administration, listing, professional, and shareholder communication fees.

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## Investing Activities

Cash used in investing activities for the twelve months ended October 31, 2016 was \$49,856 compared to cash used of \$nil in the twelve months ended October 31, 2015. The cash used in investing activities increased due mostly to the net amount of \$29,697 paid in transaction costs related to the acquisition of KCP, and \$15,187 of mineral property expenditures incurred during the period.

## Financing Activities

Cash provided by financing activities during the twelve months ended October 31, 2016 was \$2,946,632 compared to \$nil in the twelve months ended October 31, 2015. The cash provided by financing activities during the twelve months ended October 31, 2016 was mostly due to the completion of two private placements, which raised net cash proceeds of \$2,899,632.

## Capital expenditures

The capital expenditures of the Company during the twelve months ended October 31, 2016 included cash mineral property expenditures of \$15,187 (2015 - \$nil) on the Company's Margurete Gold Property.

## Liquidity and capital resources

As at October 31, 2016, the Company has a working capital of \$2,573,558. The Company has not yet put into commercial production any of its mineral properties and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets, by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's Directors and Officers, and any companies associated with them. The Company incurred the following charges during the three and twelve months ended October 31, 2016 and 2015:

Service or item	Three months ended		Twelve months ended	
	2016	2015	2016	2015
	\$	\$	\$	\$
Consulting fees	10,058	-	10,058	-
Professional fees	4,512	991	14,280	8,781
Salaries and benefits	32,975	-	43,719	-
Share-based payments	295,749	-	295,749	-

Professional fees include amounts paid to Malaspina Consultants Inc., a company owned by Robert McMorran, a director of the Company. Malaspina Consultants Inc. ceased to be a related party on September 23, 2016 as Robert McMorran stepped down from being a director of the Company.

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Salaries and benefits include amounts paid to Greg Crowe, President and Chief Executive Officer of the Company.

Share-based payments include options granted to directors and officers of the Company during the quarter.

As at October 31, 2016, included in accounts payable is an amount of \$10,058 (October 31, 2015 - \$229) due to directors, officers, or their related companies. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

## **CHANGES IN ACCOUNTING POLICIES**

The condensed interim consolidated financial statements for the three and twelve months ended October 31, 2016 were prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended October 31, 2015, except for the policies adopted in the current financial period that are discussed below.

## **INITIAL ADOPTION OF ACCOUNTING STANDARDS**

### **Mineral Properties**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, wages and salaries, surveying, geological consulting and laboratory, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'.

### **Impairment of Non-Financial Assets**

Non-financial assets, including mineral properties, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount. An impairment loss is charged to profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income or loss.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units" or "CGU"s). These are typically the individual properties or projects.

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## Share-based Payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

### IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and the de-recognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of determining the impact of IFRS 9 on its financial statements.

## FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables and prepaid expenses, and accounts payable and accrued liabilities. Cash and cash equivalents and receivables and prepaid expenses are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost. The carrying values of cash and cash equivalents, receivables and prepaid expenses, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The risks associated with financial assets and liabilities have not changed since October 31, 2015.

## SECURITIES OUTSTANDING

Authorized share capital: The Company can issue an unlimited number of common shares with no par value.

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Issued and Outstanding Common Shares as at December 14, 2016				81,864,977
	<b>Expiry date</b>	<b>Exercise Price</b>	<b>Number</b>	
Options	August 5, 2021	\$0.05	4,619,996	
	August 31, 2021	\$0.33	930,000	
Fully Diluted				87,414,973

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### Escrow shares

Pursuant to the regulatory requirements as at October 31, 2016, 1,957,500 issued and outstanding post-split common shares were held in escrow under the CPC Escrow Agreement (October 31, 2015 - 2,174,991). Under the CPC Escrow Agreement 10% of the shares were released on the issuance of the Final Exchange Bulletin on August 4, 2016 (the "Initial Release"). An additional 15% will be released every 6 months following the Initial Release.



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## DISCLOSURE OF CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the twelve months ended October 31, 2016 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate 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. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at [www.sedar.com](http://www.sedar.com).

## RISKS AND UNCERTAINTIES

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.

## FORWARD-LOOKING INFORMATION

The Company's condensed interim consolidated financial statements for the three and twelve months ended October 31, 2016, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "**RISKS AND UNCERTAINTIES**" as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially

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from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## **OUTLOOK**

Silver One's aim is to become a premier silver exploration and development company. The Company holds three high-quality Mexican silver projects acquired through the Acquisition. The properties include Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango. Ultimately, the Company's goal is to focus on identifying, acquiring, and exploring silver properties.

As the Company incurs additional retention and exploration expenditures, the Company will likely need to access additional capital. On September 27, 2016, the Company completed a non-brokered private placement by issuing 10,000,000 post-split common shares at a price of \$0.25 per common share for gross proceeds of \$2,500,000. In 2016, the Company intends to add shareholder value through further potential acquisitions of companies and/or properties and through the continued exploration of its current mineral property holdings.

## **QUALIFIED PERSONS**

Greg Crowe, P. Geo, President, CEO and Director of the Company, is a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the review of technical information in the MD&A.

## **OTHER INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.silverone.com](http://www.silverone.com).

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## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE – MINERAL PROPERTY EXPENDITURES

As at October 31, 2016 and October 31, 2015, the Company has capitalized the following acquisition and exploration costs on its mineral property:

	Balance October 31, 2015	Period ended October 31, 2016	Balance October 31, 2016
	\$	\$	\$
<b>Mexico</b>			
La Frazada			
Acquisition costs	-	2,086,202	2,086,202
Impact of change in presentation currency	-	27,540	27,540
Total	-	2,113,742	2,113,742
Peñasco Quemado			
Acquisition costs	-	3,194,966	3,194,966
Impact of change in presentation currency	-	42,177	42,177
Total	-	3,237,143	3,237,143
Pluton			
Acquisition costs	-	1,091,245	1,091,245
Impact of change in presentation currency	-	14,405	14,405
Total	-	1,105,650	1,105,650
Mexico total	-	6,456,535	6,456,535
<b>Canada</b>			
Margurete Gold Property			
Option payments - cash	-	10,000	10,000
Option payments - shares	-	10,000	10,000
Geological consulting	-	5,187	5,187
Total	-	25,187	25,187
Canada total	-	25,187	25,187
<b>Mineral properties total</b>	-	<b>6,481,722</b>	<b>6,481,722</b>