GFM RESOURCES LIMITED

(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

December 31, 2015

This Management's Discussion & Analysis ("MD&A") of GFM Resources Limited (the "Company") is for the year ended December 31, 2015, and up to the date of this report, and it should be read together with the consolidated financial statements for the year ended December 31, 2015 and the related notes (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS").

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

1.- Date of this report: April 4, 2016.

2.- Overall Performance and events

a) Description of Business

GFM Resources Limited is an emerging mineral exploration company focused on the acquisition and development of high-potential exploration properties in Mexico and Latin America. Its shares are listed on the NEX Board of the TSX Venture Exchange ("TSX-V") under the symbol GFM.H. The Company's majority shareholder, Compañía Minera Autlán, S.A.B. de C.V. ("Autlan") is a Mexican company listed on the Mexican Stock Exchange and active in manganese and ferroalloy operations in Mexico. Autlan is controlled at approximately 80% by Grupo Ferrominero, S.A. de C.V. ("Grupo"), a private Mexican holding company. Grupo also controls other companies in domains such as electronics, energy, textiles and investment banking.

The Company was incorporated under the laws of British Columbia, Canada in 1987. During the year ended December 31, 2000, the Company continued its operation into the Yukon Territory, Canada, under the Business Corporation Act of Yukon, and registered as an extra-provincial company in British Columbia under the laws of British Columbia.

b) Financings

On March 1, 2007, the Company entered into a convertible Loan Agreement (the "Loan Agreement") with Grupo, and amended on September 30, 2007. Under the terms of the Loan Agreement, Grupo will fund amounts from time to time to a maximum of $500,000 per year. Each advance will bear interest, commencing on the date of the advance, at the Prime Rate offered by the Company's bank on such date. The loan is repayable on demand. Since the sale in 2007 of the majority of the Company's shares owned by Grupo to Autlan, Autlan has been providing the advances under the exact same terms.

Grupo/Autlan has the right to convert the principal amount of each advance into units of the Company at the closing price of the Company's common shares on the TSX-V on the day before the advance (the "Conversion Price"). Each unit will consist of one common share and one common share purchase warrant if converted within one year of the advance, and into one common share only if converted after one year from the date of the advance. Each warrant will be exercisable for a period of one year from the date of the advance at the higher of the Conversion Price or the minimum exercise price permissible pursuant to TSX-V policies. The convertibility feature is restricted to a maximum of five years from the date of each advance.

In accordance with International Accounting Standard ("IAS 32"), *Financial Instruments: Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*, the convertible loan has two components on the statement of financial position:

i) a liability component, calculated as the discounted value of the complete obligation to Grupo at the end of the five-year convertibility term, discounted at a rate equivalent to a commercial rate for the loan if it had no convertibility option; the discount rate used was 15%. The liability component also includes the interest accrued to date and an accretion of the equity component; and

ii) an equity component, calculated as the difference between the discounted value of the complete obligation to Grupo and the principal amount owed.

During the year ended December 31, 2015, the Company received loan advances amounting to $133,000 from Grupo to fund its operations (2014 - $157,100). These advances bear interest based on the prime interest rate at the date of the advance; the weighted average interest rate for advances received during the fiscal year ended December 31, 2015, was 2.79%.

Accrued interest to December 31, 2015 was $118,601 (December 31, 2014 - $100,435). These amounts include the interest portion due on advances received by the Company prior to 2012, where the principal amounts had been converted to shares pursuant to terms of the Loan Agreement.

As at December 31, 2015, the total amount owed, consisting of principal and interest, was $793,701 (December 31, 2014: $642,535). Subsequent to December 31, 2015, the Company has received further advances of $25,000.

In addition to the above loan, the Company's Mexican subsidiary received $27,537 (2014: $173,613) from Autlan to enable it to meet its local obligations. These amounts do not bear any interest.

c) Board and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

Erik C. Jurgensen	Director, Chairman and Chief Executive Officer	(Mexico)
José Antonio Rivero-Larrea	Director	(Mexico)
José Antonio Rivero-González*	Director	(Mexico)
James Robertson, P.Eng.	Director, Audit Committee Chair	(Vancouver)
Jaime Farías-Arizpe	Director	(Mexico)
Salvador Miranda	Chief Financial Officer & Corporate Secretary	(Vancouver)

* Mr. Rivero-González was appointed to the board at the annual general meeting of shareholders held on June 24, 2015

d) La Casita mineral property

On May 13, 2008, the Company entered into a formal Purchase and Sale Agreement (the "Property Agreement") to acquire from Grupo the "La Casita" mineral property, formerly known as El Rodeo property ("the Acquisition") in the State of Durango, Mexico.

The Company is keeping the property under care and maintenance. The conclusions from earlier exploration programs on the property indicated that further exploration would be merited.

The Company is analyzing different possibilities for this property, as well as considering other mineral properties as possible acquisition targets.

3.- Selected annual information

	Years ended December 31		
	2015 $	2014 $	2013 $
Interest expense on convertible loan	(18,166)	(13,921)	(10,261)
Loss for the year	(236,274)	(345,760)	(506,402)
Per share, basic & diluted	(0.01)	(0.02)	(0.03)
Total comprehensive loss for the year	(249,320)	(323,696)	(516,958)
Per share, basic & diluted	(0.01)	(0.02)	(0.03)
Total assets	8,885	8,749	6,044
Total liabilities	1,349,515	1,157,018	897,895
Shareholders' deficiency	(1,340,630)	(1,148,269)	(891,851)
Cash dividends declared	Nil	Nil	Nil

The increase of the interest expense over the last three years is directly related to the increase of amounts due to related parties pursuant to the Loan Agreement explained in Section 2, above.

The decrease in loss is related to the elimination of certain consultants that had been retained by the Company's Mexican subsidiary with the objective of sourcing suitable mineral properties. This expense was eliminated during the current fiscal year.

4.- Results of Operations

Fiscal year:

	Years ended December 31				
	2015 $	% of expenses	2014 $	% of expenses	% change
Cash expenses					
Administration and accounting	61,000	37.29%	60,000	21.13%	1.67%
Audit and legal	34,655	21.19%	41,621	14.65%	-16.74%
Property examination costs	26,686	16.32%	27,484	9.67%	-2.90%
Filing and transfer agent fees	17,157	10.49%	13,443	4.73%	27.63%
Office and sundry	12,061	7.37%	13,047	4.59%	-7.56%
Directors' fees	12,000	7.34%	12,000	4.22%	0.00%
Consulting	-	0.00%	116,545	41.01%	-100.00%
	163,559	100.00%	284,140	100.00%	-42.44%
Non-cash expenses					
Accretion of convertible loan	52,203		39,743		
Interest on convertible loan	18,166		13,921		
Write-down of value added tax recoverable	1,612		7,553		
Foreign exchange loss	734		403		
	72,715		61,620		
Loss for the period	(236,274)		(345,760)		
Exchange differences on translating foreign operations, net of tax	(13,046)		22,064		
Total comprehensive loss for the period	(249,320)		(323,696)		

The significant amounts from the comparative periods were as follows:

- Administration and accounting consists of a monthly fee paid to a company controlled by the Chief Financial Officer of the Company.
- Audit and legal fees were lower as compared to the previous year due to reduced activity and streamlining of the preparation of financial statements.
- Property examination costs relate to the payment of mineral rights for the La Casita property. These costs, paid semi-annually every January and July, and denominated in Mexican pesos, increase every year for the duration of the concession. However due to exchange rate fluctuations the amount in Canadian dollars decreased for the current fiscal year.
- Filing and transfer agent fees increased with respect to the prior year as a result of a special fee required by the TSX Venture Exchange for processing the personal information form of a new director. Other than this special fee, the remaining numbers were very consistent with those of the prior comparative year.
- Office and sundry expenses also decreased with respect to the prior year, mostly as a result of a reduction in office rent after September 2015.
- Directors' fees: a monthly stipend is paid to a director of the Company in his capacity of Chair of the Audit Committee.

- Consulting fees were incurred in relation to the search of suitable projects during fiscal 2014. No such expenses were conducted during 2015.
- Interest expense and accretion on convertible loan amounts in both periods are due to related party on convertible loan (Note 6 to the Financial Statements). The increase corresponds to the increase in the balance outstanding on the loan.
- The Company has decided to write-down the amounts of Mexican value-added tax recoverable due to the uncertainty as to when these amounts could be recovered. The decrease in the current year is a result of the elimination of consulting fees in Mexico, which were subject to 16% value-added tax.

Last fiscal quarter:

	Three months ended December 31				
	2015 $	% of expenses	2014 $	% of expenses	% change
Cash expenses					
Administration and accounting	15,000	48.32%	15,000	45.66%	0.00%
Filing and transfer agent fees	6,600	21.26%	2,403	7.32%	174.66%
Audit and legal	5,793	18.66%	9,490	28.89%	-38.96%
Directors' fees	3,000	9.66%	3,000	9.13%	0.00%
Office and sundry	656	2.11%	2,889	8.80%	-77.29%
Consulting	-	0.00%	65	0.20%	-100.00%
Total cash expenses	31,049	100.01%	32,847	100.00%	-5.47%
Non-cash expenses					
Accretion of convertible loan	14,323		11,144		
Interest on convertible loan	4,955		3,904		
Write-down of value added tax recoverable	1,073		(4,600)		
Foreign exchange loss	(3,871)		(346)		
Total non-cash expenses	16,480		10,102		
Loss for the period	(47,529)		(42,949)		
Exchange differences on translating foreign operations, net of tax	(13,129)		33,799		
Total comprehensive loss for the period	(60,658)		(9,150)		

These expenses are consistent with those presented for the year, except for consulting fees, which were terminated by the third quarter of 2014, and for the special filing fee indicated above, and paid during the last quarter of the fiscal year. There is also a reduction in office expenses as a result of a change in the office rent arrangement.

5.- Summary of quarterly results:

	Quarter ended (three-month figures) ($)							
	31-Dec 2015	30-Sep 2015	30-Jun 2015	31-Mar 2015	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
Loss before other expenses	(27,178)	(53,244)	(38,250)	(45,621)	(32,501)	(82,881)	(95,000)	(74,161)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Loss for the period	(47,529)	(71,368)	(50,445)	(66,932)	(42,949)	(99,639)	(108,393)	(94,779)
Per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Other comprehensive income (loss)	(13,129)	4,195	27,672	(31,784)	33,799	(7,202)	14,781	(19,314)
Per share, basic and diluted	(0.00)	(0.01)	0.00	(0.00)	0.00	(0.01)	(0.01)	(0.00)
Total comprehensive loss	(60,658)	(67,173)	(22,773)	(98,716)	(9,150)	(106,841)	(93,612)	(114,093)
Per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)
Total assets	8,885	8,043	27,731	6,917	8,749	12,545	19,480	6,826
Total liabilities	1,349,515	1,301,720	1,262,587	1,247,479	1,157,018	1,166,996	1,078,353	997,781
Shareholders' deficiency	(1,340,630)	(1,293,677)	(1,234,856)	(1,240,562)	(1,148,269)	(1,154,451)	(1,058,873)	(990,955)
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The larger losses for the quarters from March to September, 2014, were due to consulting fees paid in Mexico in connection with the search for a suitable mineral property or equivalent transaction; these consulting fees were eliminated thereafter, hence the smaller loss in the five most recent quarters, in addition to some streamlining of administration activities.

The amount of total assets has a strong correlation to the amount of cash in the bank, which is higher immediately after the reception of a loan advance pursuant to the convertible loan agreement.

6.- Liquidity and Working Capital

	December 31, 2015	December 31, 2014
Cash and cash equivalents	5,598	5,780
Accounts receivable (Canadian GST)	2,037	1,719
Prepaid expenses and deposits	1,250	1,250
Accounts payable and accrued liabilities	(24,024)	(20,075)
Amounts due to related parties	(676,356)	(634,218)
Liability component of convertible loan	(649,135)	(502,725)
Working capital deficiency:	(1,340,630)	(1,148,269)

Accounts payable and accrued liabilities include current payables, and accruals for audit, preparation of income tax return, annual filing fees and any unbilled but completed work.

Amounts due to related parties include certain services provided by Grupo or Autlan to the Company's Mexican subsidiary of $676,356 (2014 - $633,168), and amounts due to companies controlled by a director and an officer of the Company of $nil (2014 - $1,050).

The balance in the liability component of the convertible loan includes both principal and interest owing to related parties accrued from convertible loan as described in Section 2, above, and in Note 6 to the Financial Statements.

Given the present level of ongoing obligations and expenses, the Company must rely on the continued financial support from Grupo or from Autlan in order to meet its operational obligations for the foreseeable future.

7.- Capital resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, and the Company's ability to acquire new properties and to achieve certain exploration milestones. In order to attain these objectives and to meet its operational obligations, the Company will continue to rely on the financial support from Grupo and/or Autlan. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

8.- Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements, and no contingent liabilities or other obligations.

9.- Transactions with Related Parties

During the years ended December 31, 2015 and 2014 the Company:

- paid $61,000 (2014: $60,000) in administration fees and $8,400 (2014: $10,800) in office rent to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, the Chief Financial Officer of the Company.
- paid $12,000 (2014: $12,000) in director's fees to Midas Management Inc. ("Midas"), a company controlled by Mr. James Robertson, a director of the Company and chairman of its audit committee;
- received $27,537 (2014: $173,613) from Autlan in cash provided to the Company's Mexican subsidiary in order for it to pay for mineral rights of the La Casita property, administration and for other local obligations; and
- received $133,000 (2014: $157,100) from Autlan pursuant to the convertible loan agreement to fund operations and accrued interest thereon of $18,166 (2014: $13,921) to Autlan pursuant to the convertible loan agreement (Note 6 to the Financial Statements).

Included in amounts due to related parties as at December 31, 2015 are $Nil (December 31, 2014 - $1,050) owed to Midas for director's fees; $676,356 (December 31, 2014 - $633,168) owed to Grupo or companies controlled by Grupo for amounts provided to the Company's Mexican subsidiary. Also included in liability component of convertible loan is $118,601 (December 31, 2014 - $100,435) in interest accrued corresponding to the Loan Agreement with Autlan (Note 6 of the Financial Statements).

Management is of the opinion that these transactions have occurred in the normal course of operations and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

10.- Proposed Transactions

There are no specific proposed transactions as at the date of this MD&A. The Company is examining several properties as potential acquisition targets.

11.- Financial Instruments

The carrying value of cash and cash equivalents and accounts receivable approximate their fair value due to the short-term nature of these instruments. The fair value of accounts payable, due to related parties and the liability component of the convertible loan may be less than the carrying value due to liquidity risk (see Note 1 to the Financial Statements *Nature of Operations and Going Concern Uncertainty*). The Company determines the carrying amount of Convertible Loan by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability that does not have an associated equity component.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at December 31, 2015, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Mexican pesos. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs.

A change in the value of the Mexican peso by 10% relative to the Canadian dollar would affect the Company's loss for the year by approximately $68,000.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company is not exposed to interest rate risk, as its convertible loan instrument is subject to fixed interest rates.

Liquidity risk

The Company currently depends on the advances provided by Grupo through the convertible loan instrument (Note 6 to the Financial Statements). The liquidity risk relates to the low cash position and the dependence on these advances. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

12.- Management's Responsibility over Financial Information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. The Financial Statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators ("CSA").

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

13.- Risk Factors.

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. Regarding the properties under the option agreement described in Section 2, Grupo has provided reasonable assurance that its mineral properties' titles are in good standing.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

At the present time, the Company has no rights to a property of merit, and therefore its ability to raise capital is limited, having to rely on funding provided by Grupo or Autlan to meet its obligations, including the search for a property of merit.

Finally, operating in a specific country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

14.- Forward-Looking Statements

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors in each MD&A.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Mexico will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

15. - Other MD&A requirements

a) The Company, as a "venture issuer", is not required to prepare an Annual Information Form at this stage.

   Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the CSA's System for Electronic Document Analysis and Retrieval website at www.sedar.com. Other Company information is available on its website at www.gfm-resources.com.

b) Information pursuant to sections of National Instrument 51-102:

   i) Section 5.3: Please refer to Sections 3 and 4 above, and to the consolidated statements of loss and comprehensive loss included with the Financial Statements, and Notes 3(f) and Note 10 thereto.

   ii) Section 5.4: Share Capital: please refer to Note 6 to the Financial Statements.

   As at the date of this MD&A, the Company has the following securities:

   - Common shares, issued and outstanding: 19,085,071.
   - Stock options: nil: all remaining stock options expired unexercised on July 1, 2015.

On behalf of the Board

GFM Resources Limited

"Erik C. Jurgensen"
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Erik C. Jurgensen
Chairman and Chief Executive Officer

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