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Management's Discussion and Analysis
For the Nine Months Ended September 30, 2016
Dated: November 24, 2016

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A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Valterra Resource Corporation (the "Company") is for the nine months ended September 30, 2016, and is dated November 24, 2016. This MD&A was prepared to conform to National Instrument 52-102F1 and was approved by the Board of Directors prior to its release. This analysis should be read in conjunction with the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2016, and the Company's audited financial statements for the year ended December 31, 2015, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares are listed on the TSX Venture Exchange under the symbol "VQA.V", on the Frankfurt Stock Exchange under the symbol "3VA.F" and on the OTCQB Marketplace under the symbol "VRSCF".

The Company's functional and presentation currency is the Canadian dollar and all amounts included herein are in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company, including detailed drill results previously disclosed in news releases, is available on the Company's website at www.valterraresource.com and on SEDAR at www.sedar.com.

B. Qualified Person

Robert W. J. Macdonald, P. Geo., is the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulfide deposits.

C. Conversion Tables

Precious metal units and conversion factors

ppb	- Part per billion	1	ppb	=	0.0010	ppm	=	0.000030	oz/t
ppm	- Part per million	100	ppb	=	0.1000	ppm	=	0.002920	oz/t
oz	- Ounce (troy)	10,000	ppb	=	10.0000	ppm	=	0.291670	oz/t
oz/t	- Ounce per ton (avdp.)	1	ppm	=	1.0000	ug/g	=	1.000000	g/tonne
g	- Gram								
g/t	- Gram per metric ton	1	oz/t	=	34.2857	ppm			
mg	- Milligram	1	Carat	=	41.6660	mg/g			
kg	- Kilogram	1	ton (avdp.)	=	907.1848	kg			
ug	- Microgram	1	oz (troy)	=	31.1035	g			

Information from www.onlineconversion.com

D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements and its current focus is in British Columbia, Canada.

Swift Katie

The Swift Katie Cu-Au-porphyry property comprises more than 83 square kilometres and is located near Salmo, British Columbia in an area that, historically, has hosted several important mining districts, and is underlain by rocks considered very favourable for the discovery of porphyry-style mineralization.

Upon acquisition, the Company completed 15 drill holes (4,866 metres) which returned several encouraging intercepts indicative of bulk-tonnage Cu-Au-Ag from the main Katie Zone. Mineralization occurs in volcano-sedimentary rocks of the Rossland Group which hosts numerous precious-metal and polymetallic past-producers in the region.

The drilling outlined three accumulations of semi-continuous Cu-Au-Ag mineralization over an 1,800 metre cumulative strike length; being open in several directions. Inventory review work included surveying of historic drill collars, an assessment of the historic QA/QC protocols and drill spacing, with the ultimate goal being to develop a NI 43-101 compliant bulk-tonnage Cu-Au-Ag resource. A previous soil sampling program identified geochemical anomalies (copper, gold, silver and potassium) within anomalous resistivity and magnetic signatures. These geophysical and geochemical anomalies are coincident with host rocks which are of a prospective age and lithology for hosting mineralization.

The Swift target lies immediately south of the Katie deposit which hosts alkalic porphyry copper-gold mineralization. Alkalic porphyry mineralization commonly occurs in clusters, thus the Swift area presents a compelling target.

A 2014 reconnaissance drilling program consisted of five diamond drill holes totaling 1,423 metres. These holes tested soil and resistivity anomalies over a 1 square kilometre area. Spacing between drill hole collars ranged from 350 metres to 900 metres. The program encountered numerous zones of precious metal mineralization which include 23.4 g/t Au, 0.621% Cu and 435 g/t Ag over 1.5 metre, and an adjacent 2 metre, interval grading 5.69 g/t Au, 0.128% Cu and 26.6 g/t Ag from hole SK14-002.

The high-grade gold-silver vein intercepts warrant further exploration and follow-up, as the primary exploration objective to date has only focused on the large-scale copper-gold porphyry potential of the Swift target. Gold mineralization at Swift is associated with pyrite-pyrrhotite-chalcopyrite veins at the contact between an andesite volcanic unit and a diorite intrusive, and sit within a much broader zone containing elevated copper and lead. The package may reflect a transitional environment from a porphyry to an epithermal system and shows some similarity to styles of mineralization identified in the historic Rossland Mining Camp (Past Production: 2.4M oz./Au; 3.4M oz./Ag and 120Mlbs Cu) located just 25 kilometres to the west of the property.

The results support the Company's belief of a widespread gold-enriched, transitional-epithermal system at the Swift target and a large alkali porphyry system at the Katie target.

D. Summary of Mineral Properties, continued

Swift Katie, continued

The Company has restarted exploration on the property consisting of up to 1,500 metres of drilling in four to five core holes which will target offsets of high-grade gold intercepts from 2014 drilling on the property. Drilling has tested both up dip and along strike of the high-grade intercept in order to better define the orientation of the mineralization and geological setting. Visuals from the drilling are encouraging and assays are pending.

Acquisition Costs

Mineral property acquisition costs as at September 30, 2016, were as follows:

	Swift Katie	Total
	$	$
Balance as at December 31, 2014	388,175	388,175
Impairments	(388,175)	(388,175)
Balance as at December 31, 2015	-	-
Additions	3,155	3,155
Balance as at September 30, 2016	**3,155**	**3,155**

An impairment provision was recognized against all capitalized costs totalling $388,175 during the year ended December 31, 2015 as the Company continued to assess planned courses of action with respect to the property and determined this to be an indicator of impairment.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the nine months ended September 30, 2016 and 2015, were as follows:

	Swift Katie		Total	
	$	$	$	$
	2016	2015	2016	2015
Equipment rental and field supplies	3,476	-	**3,476**	**-**
Geological services	2,421	-	**2,421**	**-**
Project supervision	33,555	-	**33,555**	**-**
Travel	2,930	-	**2,930**	**-**
	42,382	**-**	**42,382**	**-**
General exploration			**1,262**	**1,015**
			43,644	**1,015**

E. Results of Operations

The Company incurred a net loss and comprehensive loss of $202,459 for the nine months ended September 30, 2016 (2015 - $54,254).

A summary of variances is as follows:

	2016	2015	Increase/(Decrease)	
	$	$	$	%
Administration	10,000	-	10,000	-
Consulting	15,110	9,000	6,110	68%
Exploration and evaluation	43,644	1,015	42,629	4,200%
Investor relations	49,798	4,068	45,730	1,124%
Office and general	7,062	10,054	(2,992)	(30%)
Professional fees	63,511	19,101	44,410	233%
Regulatory fees and taxes	15,009	8,502	6,507	77%
Shareholders communications	1,548	190	1,358	715%
Transfer agent	1,977	2,324	(347)	(15%)
Gain on settlement of debt	(5,200)	-	(5,200)	-

Increases in administration, consulting, investor relations, professional fees, transfer agent and travel expenses were mainly incurred as a result of on-going financing and promotional initiatives. Additional professional and regulatory fees were incurred with respect to obtaining a listing on the OTCQB Marketplace.

As per the Company's mandate to acquire, explore, and develop mineral resource properties, the Company continues to invest in its mineral property, subject to available resources, and commenced preparations for a drill program at Swift Katie (*D - Summary of Mineral Properties*).

A gain on settlement of debt was recognized with respect to negotiations undertaken with certain vendors.

F. Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for the last eight quarters:

	Sept 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015	Sept 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014
	$	$	$	$	$	$	$	$
Net loss	163,957	26,526	11,976	374,759	8,020	26,791	19,443	154,991
Basic and diluted loss per share	$0.01	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00

F. Summary of Quarterly Results, continued

Due to the nature of its current operation, the Company earned no revenue during the periods presented. Quarterly fluctuations mainly relate to mineral property exploration expenditures and impairments which occur as projects are identified and results are analyzed or other indicators arise. Significant impairment charges were recognized in the three months ended December 31, 2015 and 2014.

G. Financial Condition, Liquidity and Capital Resources

As at September 30, 2016, the Company had working capital of $191,621 (December 31, 2015 - working capital deficit of $501,265). Wherever possible, the Company has been negotiating its trade payables and reviewing its future commitments to identify opportunities to reduce or delay spending and payments. However, the Company does not generate any revenue from operations and does not have sufficient capital to meet the requirements for its administrative overhead, maintaining its mineral interests and continuing with its exploration program.

For the foreseeable future, the Company will need to rely on raising capital in the equity markets and/or enter into joint venture agreements with third parties to provide working capital and to finance its mineral property activities. Although the Company has been successful in obtaining financing through the issuance of its securities, there can be no assurance that the Company will be able to obtain adequate future financing. Failure to do so could result in delay or indefinite postponement of further exploration and reduction or termination of operations.

Equity financings

- On October 5, 2016, the Company closed a non-flow-through private placement and issued 16,584,000 units at a price of $0.05 per unit for gross proceeds of $829,200 (subscriptions received of $633,000 as at September 30, 2016). Each unit consisted of one common share and one share purchase warrant exercisable to purchase one common share at an exercise price of $0.10 for a period of five years.

  On October 5, 2016, the Company closed a flow-through private placement and issued 7,090,000 flow-through units at a price of $0.05 per unit for gross proceeds of $354,500 (subscriptions received of $277,500 as at September 30, 2016). Each unit consisted of one flow-through common share and one half share purchase warrant, with each whole warrant exercisable to purchase one common share at an exercise price of $0.10 for a period of five years.

- On October 6, 2016, the Company announced a flow-through private placement to issue up to 10,000,000 flow-through units at a price of $0.05 per unit to raise $500,000. Each unit consists of one flow-through common share and one half share purchase warrant, with each whole warrant exercisable to purchase one common share at an exercise price of $0.10 for a period of five years.

Net proceeds from the above will be used for corporate purposes and to fund costs associated with exploration on Swift Katie.

Claims

A Notice of Claim filed in Small Claims Court regarding disputed amounts owed to a certain vendor remains outstanding in an amount of $25,000 plus interest and costs.

H. Related Party Transactions

The Company entered into the following related party transactions during the nine months ended September 30, 2016:

(a) Fees were charged by a private company controlled by a director and officer of the Company as follows:

- $10,000 (2015 - $nil) for office space and administration services;
- $6,110 (2015 - $nil) for consulting services;
- $5,500 (2015 - $nil) for professional services;
- $3,200 (2015 - $nil) for investor relations services;
- $20,805 (2015 - $nil) for geological consulting services; and
- $762 (2015 - $nil) for mark-up on out of pocket expenses.

Accounts payable as at September 30, 2016 were $58,921 (December 31, 2015 - $11,025).

(b) Fees in the amount of $44,500 (2015 - $nil) were accrued to a law firm controlled by a director and officer of the Company and included in professional fees, mineral property expenditures and share issue costs where applicable. Amounts payable as at September 30, 2016 were $48,873 (December 31, 2015 - $4,373).

(c) Fees in the amount of $9,000 (2015 - $9,000) were charged by an officer of the Company for consulting services. Amounts payable as at September 30, 2016 were $1,000 (December 31, 2015 - $30,500).

(d) Fees in the amount of $12,750 (2015 - $nil) were charged by a director of the Company for geological consulting services. Amounts payable as at September 30, 2016 were $11,025 (December 31, 2015 - $nil).

(e) Loans totalling $6,460 (December 31, 2015 - $5,460) are payable to directors of the Company with respect to funds advanced. All loans were repaid subsequent to the period end.

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. A summary of compensation awarded to key management, included in (b), (c) and (d) above, is as follows:

	2016	2015
Short-term benefits	$ 66,250	$ 9,000
Total	$ 66,250	$ 9,000

I. Outstanding Equity and Convertible Securities

i) Issued and outstanding

As at November 24, 2016, the Company had 56,759,925 common shares issued and outstanding.

ii) Stock Options

As at September 30, 2016 and November 24, 2016, stock options outstanding and exercisable were as follows:

Exercise Price	Expiry Date	Balance September 30, 2016	Cancelled / Expired	Balance November 24, 2016
$1.00	November 17, 2016	20,000	20,000	-
$0.10	July 19, 2017	480,000	35,000	445,000
$0.12	December 17, 2017	1,375,000	110,000	1,265,000
$0.17	March 1, 2018	100,000	-	100,000
		1,975,000	**165,000**	**1,810,000**
Weighted average exercise price		$0.13	$0.22	$0.12
Weighted average contractual life remaining (years)		1.11		0.97

iii) Share Purchase Warrants

As at September 30, 2016 and November 24, 2016, share purchase warrants outstanding were as follows:

Exercise Price	Expiry Date	Balance September 30, 2016	Issued	Balance November 24, 2016
$0.05	February 20, 2017	3,105,000	-	3,105,000
$0.05	February 21, 2017	785,650	-	785,650
$0.05	June 10, 2017	1,000,000	-	1,000,000
$0.05	August 12, 2017	100,000	-	100,000
$0.10	October 5, 2021	-	20,129,000	20,129,000
$0.10	October 5, 2021	-	120,000	120,000
$0.05	November 14, 2017	-	350,000	350,000
		4,990,650	**20,599,000**	**25,589,650**
Weighted average exercise price		$0.05	$0.10	$0.09
Weighted average contractual life remaining (years)		0.46		3.92

J. Financial Instruments

The Company's financial instruments include cash, reclamation bonds, accounts payable and accrued liabilities and amounts due to related parties. The Company has classified its financial instruments into the following categories:

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Reclamation Bonds	Loans and Receivables	Amortized Cost
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Due to Related Parties	Other Financial Liabilities	Amortized Cost

The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. Reclamation bonds are non-interest-bearing, have no maturity date and their carrying values approximate fair value.

These financial instruments have no material risk exposure. Risk is managed with respect to cash by risk management policies that require significant cash deposits or short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. In addition, all investments must be less than one year in duration.

K. Events After the Reporting Period and Outlook

There are no other material events subsequent to the date of this document.

The Company is confident that its property has potential warranting continued exploration. Activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to develop properties and to advance them to production.

L. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

M. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control.

The Audit Committee is composed of three independent directors who meet at least quarterly with management and at least annually with the external auditors to review accounting, internal control, financial reporting, and audit matters.

There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

M. Disclosure Controls and Procedures, continued

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

N. Risks and Uncertainties

The principal business of the Company is the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources.

Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

N. Risks and Uncertainties, continued

Operating History and Availability of Financial Resources

The Company has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities and such reliance on the issuance of securities for future financing may result in dilution to existing shareholders.

Furthermore, the amount of additional funds required may not be available under favourable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Price Volatility and Lack of Active Market

For some time, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Title to Property

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

The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits.

However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

N. Risks and Uncertainties, continued

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

Government Regulations and Environmental Risks and Hazards

The Company conducts exploration activities in Canada, and is subject to various federal and provincial laws, rules and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, hazards that are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current or former property interests that may result in material liability to the Company.

O. Proposed Transactions

Other than normal course review of monthly submittals there are no other proposed transactions contemplated as at the date of this report.

P. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements."

These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this MD&A.

P. Forward-Looking Statements, continued

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.