



**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 29, 2016**

## **Introduction**

This management's discussion and analysis (MD&A) of Playfair Mining Ltd. is the responsibility of management and covers the year ended February 29, 2016. The MD&A takes into account information available up to and including June 27, 2016 and should be read together with the audited financial statements, notes and MD&A for the years ended February 29, 2016 and February 28, 2015 all of which are available on the Sedar website at [www.sedar.com](http://www.sedar.com).

Throughout this document the terms *we*, *us*, *our*, *the Company* and *Playfair* refer to Playfair Mining Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.playfairmining.com](http://www.playfairmining.com).

## **Forward-Looking Statements**

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

## **Description of Business**

The Company's main business is the acquisition, exploration and development of natural resource properties. The Company currently has interests in several properties in Canada, including:

- Grey River, Newfoundland – Tungsten / Gold property
- Risby, Lened and Clea, located in the Yukon and Northwest Territories - Tungsten properties
- Ox Mountain, Ireland – Gold property

Refer to the Exploration Property Summary below for more information regarding the natural resource properties.

The Company trades on the TSX Venture Exchange under the symbol "PLY".

## Performance Summary

The following is a summary of significant events and transactions that occurred during the year ended February 29, 2016:

- a) the Company granted 2,200,000 incentive stock options at an exercise price of \$0.05 per share. These options have been granted to Directors, Officers and consultants for a period of 5 years from date of grant.
- b) the Company arranged a non-brokered private placement. The Company has issued 1,500,000 common shares at a price of \$0.05 per share for gross proceeds of \$75,000. No finder's fees were paid. All shares issued are subject to a hold period expiring 4 months and 1 day from the date of issuance.
- c) the Company has closed the debt settlement by the issuance of 1,360,000 common shares at a deemed price of \$0.05 per share in full and complete settlement of a debt of \$68,000 of \$62,500 principle and accrued interest of \$5,500. The shares are subject to a hold period expiring 4 months and 1 day from the date of issuance.

## Property and Exploration Summary

Refer to the audited Financial Statements and notes for the nine month period ended November 30, 2015 for the Exploration Assets and Evaluation table. Michael Moore, P.Geol., is the qualified person who has reviewed the technical information contained in this document on behalf of the Company.

### Grey River Tungsten, Newfoundland, Canada

The Company acquired a 100% interest in the Grey River property located in southern Newfoundland, Canada. The property is subject to a 4% NSR of which up to 2% may be purchased by the Company for up to \$2,000,000. Due to a delay in future exploration activity on the property, the Company has recorded an impairment of \$2,993,944 during fiscal 2016.

#### *Exploration summary:*

Drilling results for the 2008 Grey River Tungsten deposit successfully defined a significant down plunge zone of tungsten mineralization extending the #10 Vein Deposit at depth and to the north. Highlight drill hole Number 122 yielded a highlight intercept of 1.13% WO<sub>3</sub> over 2.4 metres. The main objective of the 2008 drill program was to test the down dip and northern strike extensions of the #10 Vein Tungsten deposit, particularly below the adit level. Analytical results from drill core samples show that #10 Vein tungsten mineralization extends an estimated 250 metres down dip below the previously defined deposit (or about 160 metres vertically below the adit level). This newly identified deposit extension zone appears to have a 45 degree plunge (or rake) and is open to the north and at depth. The company has moved forward significantly in its goal to increase the deposit's overall Tungsten resource.

### Risby Tungsten, Yukon, Canada

During fiscal 2007 the Company acquired a 100% interest in the Risby, Lened and Clea properties located in the Yukon and Northwest territories. The property is subject to a 3% NSR. Until such time as the royalty is paid, or the Company terminates the option agreement, the Company will pay an annual amount of \$50,000 toward the royalty of which the Company paid \$250,000 during year 2007 to 2011. The Company is in arrears on the annual royalty payment for a total of \$200,000 as at February 28, 2015 and is in negotiations with the holder of the royalty to amend the terms of the royalty. The Company may at any time purchase 0.5% of the NSR for \$500,000.

Due to a delay in future exploration activity on the property the Company recorded on impairment of \$5,764,342 during fiscal 2015.

***Exploration summary:***

Results for the 2008 Risby Tungsten deposit drill campaign extended the known tungsten mineralization an estimated 220 metres along strike to the north of the previous inferred tungsten deposit limits. Holes 50 and 51 (drilled from the same location) are located about 220 metres north and along strike of the limits of the 2007 Wardrop Engineering inferred tungsten resource. These two holes are the most significant of the 2008 drill program having intercepted similar tungsten grades and widths as those found in the nearby deposit outline. These intercepts demonstrate a strong lateral or on-strike continuity of tungsten mineralization over a total estimated strike length now exceeding 750 metres. Importantly, the property has untested surface gossan zones located as much as one kilometre north on-strike of the main deposit. Results of the updated NI 43-101 compliant Inferred Mineral Resource Estimate yielded an increase in inferred resource of 37% over the 2007 resource estimate. The 2009 study, which combined the 2008 drill results with Playfair's earlier 2007 resource estimate, reports a new inferred resource of 89.4 million pounds tungsten trioxide (8,537,000 tonnes at an average grade of 0.475% WO<sub>3</sub> at a 0.20% WO<sub>3</sub> cutoff). The 2008 report also indicates an increase in average deposit grade from 0.462 to 0.475 percent WO<sub>3</sub>.

**Granite Lake Molybdenum, Newfoundland, Canada**

The Company acquired a 100% interest in certain claims in the Granite Lake area in Newfoundland, Canada, via staking at a cost of \$9,960 and a 100% interest in certain additional mineral claims during fiscal 2008 and 2009 at a cost of \$68,640.

During fiscal 2006 the Company also acquired a 100% interest in certain additional claims pursuant to which the Company issued 100,000 shares valued at \$99,000. To acquire its interest, the Company incurred exploration expenditures of \$50,000. The claim was acquired from a company with a common director. The property is subject to either a 3% NSR or 35% participating interest in the property which can be purchased back from the Company by paying 65% of the Company's expenditures.

Due to a delay in future exploration activity on the property the Company recorded on impairment of \$2,511,900 during fiscal 2013.

***Exploration summary:***

The Granite Lake Molybdenum Property is located in central Newfoundland. Playfair's drilling of the property's Moly Hill Zone has identified a large-scale bulk tonnage molybdenum enriched area which warrants extensive additional drilling. Drill testing of a limited portion of the Moly Hill Zone has outlined a priority area of altered and mineralized rocks measuring at least 600m long by 500m wide. The priority area is located on northeast corner of the 2.4 by 2.6 kilometre Moly Hill Zone and is open in all directions except to the north. Molybdenum commonly occurs from the top of drill holes, with many of the holes ending in mineralization. The project has the rare benefit of electrical power, roads, minimum environmental impact and a willing and able Newfoundland workforce to draw on. Playfair views this large bulk-tonnage molybdenum potential as a bonus to the outstanding tungsten assets that are the company's primary focus.

**Ox Mountain Property, Ireland**

During fiscal 2014, the Company entered into an Option Agreement to acquire up to a 100% interest in Bowpark Exploration (Ireland) Ltd. ("Bowpark") subject to TSX-V acceptance. Bowpark is a private company registered in Ireland and holds 3 contiguous prospecting licenses over the Ox Mountains in County Sligo, Ireland.

Under the terms of the option agreement, the Company may acquire a 90% interest in Bowpark by expending \$2,280,000 directly on exploration and delivering 1,800,000 shares of the Company to the current owners of Bowpark, exercisable over 4 stages. The Company may acquire the final 10% by paying

the current owners \$1,000,000 in cash (or equivalent value of shares at the Company's election) and grant a 3% NSR, of which the Company may purchase up to 1% for \$500,000 per 0.5%.

During the year ended February 28, 2015 the Company paid \$150,000 to Bowpark for exploration expenditures as per agreement.

**Exploration summary:**

Prospecting at Cabragh identified a 70 cm boulder of strongly micro-fractured white quartz with abundant galena on one side and minor pyrite and malachite. This boulder returned 23.9 gpt gold and is located approximately 350m ESE on strike of previously located boulders that returned 3.45 and 3.09 gpt gold.

The Cloonacool Prospect is located about 10 km WSW from Cabragh. Previous work by Bowpark on behalf of the Company located a coherent area of 1,500 metres by 500 metres containing several well mineralised boulders and an outcropping gold-bearing quartz vein. Eight boulders in this area range from 1.30 gpt gold to 17.2 gpt gold. An additional 14 samples in the area are anomalous in gold with values between 112 ppb and 697 ppb.

Two lines of chip samples were completed over parallel outcropping quartz veins at Cloonacool. Results showed 3.38 gpt gold over 1.20 metres comprising 5.58 gpt gold over 50 cm from 210-260cm, and 1.80 gpt gold over 70cm from 140-210cm. The total width of the quartz vein is 2.90 metres with marginal samples 50-140cm and 260-340cm returning low anomalous gold values. It is notable that the highest grade (5.58 gpt gold) occurs in the centre of the vein where pyrite and galena were observed. This correlates with a previously reported boulder located approximately 20m north which returned 3.57 gpt gold and also contained pyrite and galena. Geological mapping at Cloonacool identified a WNW trending shear structure over a 2km strike length which is poorly exposed but is probably the source of the mineralisation.

**Selected Annual Information**

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements:

	Year Ended February 29, 2016	Year Ended February 28, 2015	Year Ended February 28, 2014
Total income	\$ -	\$ -	\$ -
Net loss before other items	3,183,654	6,093,445	235,782
Net loss before income taxes	3,183,654	6,093,445	1,870,478
Net loss	3,183,654	6,093,445	1,870,478
Basic and diluted loss per share	0.12	0.23	0.15
Total assets	167,072	3,181,842	8,843,687
Total long-term liabilities	-	63,884	84,381
Cash dividends	-	-	-

During the fiscal year ended February 29, 2016 the Company issued 1,500,000 common shares for gross proceeds of \$75,000 and arranged debt settlement by issuing 1,360,000 common shares at a price of \$0.05 per share in full and complete settlement of a debt of \$68,000.

During the fiscal year ended February 28, 2015 the Company issued 5,000,000 common shares for gross proceeds of \$375,000 and arranged a loan from arm's length party in the principal amount of \$62,500 pursuant to promissory notes to be issued to the Lender as security for the Loan.

During the fiscal year ended February 28, 2014 the Company closed a convertible loan offering at \$105,000 for a term of 2 years and bears interest at the rate of 6% per annum.

Refer to the Summary of Quarterly results below for more detailed information. The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

## **Results of Operations**

The financial statements reflect the financial condition of the Company's business for the year ended February 29, 2016.

During the year ended February 29, 2016, the Company incurred Expenses of \$208,346 (2015 - \$329,102). Excluding material non-cash-based deductions, operating expenditures for the year ended February 29, 2016 were \$105,120 (2015 - \$316,945).

Significant decreases in expenses are as follows: filing fees \$6,347 (2015 - \$13,415), office and miscellaneous \$9,309 (2015 - \$78,565), professional fees \$6,108 (2015 - \$70,216), rent \$49,865 (2015 - \$74,485), transfer agent and regulatory fees \$4,225 (2015 - \$19,215), and travel and trade shows \$7,666 (2015 - \$26,009). The decreases in these accounts were due to decrease in promotion and financing activities.

**Fourth Quarter and Summary of Quarterly Results:**

	Three Months Ended			
	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
Total Assets	\$ 167,072	\$ 3,151,968	\$ 3,178,986	\$ 3,162,157
Mineral Properties and Deferred Costs	152,453	3,145,097	3,145,097	3,145,097
Working Capital (deficiency)	(156,659)	(175,712)	(159,045)	(154,810)
Shareholder's Equity (Deficiency)	(1,750)	2,902,314	2,920,265	2,934,724
Other Income	-	-	-	-
Net Income (loss)	(3,141,021)	(27,951)	(9,449)	(5,233)
Earnings (loss) per share	\$ (0.12)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	Three Months Ended			
	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Total Assets	\$ 3,181,842	\$ 9,009,926	\$ 8,974,211	\$ 9,035,897
Mineral Properties and Deferred Costs	3,145,097	8,845,713	8,845,713	8,781,987
Working Capital (deficiency)	(152,664)	(106,641)	(102,629)	706
Shareholder's Equity	2,939,957	8,763,761	8,808,854	8,787,893
Other Income	-	-	-	-
Net Income (loss)	(5,816,304)	(104,347)	(69,003)	(103,791)
Earnings (loss) per share	\$ (0.22)	\$ (0.01)	\$ (0.01)	\$ (0.01)

During the fourth quarter period ended February 29, 2016 the Company issued 1,500,000 common shares for gross proceeds of \$75,000 and arranged debt settlement by issuing 1,360,000 common shares at a deemed price of \$0.05 per share in full and complete settlement of a debt of \$68,000.

During the quarter period ended February 28, 2015 the Company made final payment of \$62,500 to Bowpark Exploration Ltd. to complete Phase 1 of 2 to First Option to acquire 25% interest on its Ox Mountain Property. Due to a delay in future exploration activity on the Risby, Lened, and Clea property the Company has recorded on impairment of \$5,764,342.

Significant exploration costs were incurred on the properties during the following periods resulting in an increase to Mineral Properties and Deferred Costs:

- a) Three month period ending February 28, 2015: \$63,727
- b) Three month period ending August 31, 2014: \$63,726
- c) Three month period ending May 31, 2014: \$25,000

During the quarter period ended November 30, 2014 the Company arranged a loan from arm's length party in the principal amount of \$62,500 (the "Loan") pursuant to promissory notes (the "Notes") to be issued to the Lender as security for the Loan. The Company issued 250,000 common shares as bonus for the Loan amount priced at \$0.02 per share valuing at \$5,000 and recorded as financing cost.

During the quarter period ended May 31, 2014 the Company issued 5,000,000 common shares for gross proceeds of \$375,000 of which \$46,754 is included in subscriptions receivable.

## Liquidity and Capital Resources

Playfair's mineral exploration and development activities do not provide a source of income and we therefore have a history of losses, working capital deficiencies and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

*Operating activities:* The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities for the year ended February 29, 2016 was \$73,685, compared to net cash used in \$282,929 for the year ended February 28, 2015. The decrease in cash used was mainly attributed to decrease in expenditures.

*Investing activities:* Net cash used in investing activities related to mineral property expenditures. Net cash used in investing activities for the year ended February 29, 2016 was \$1,300 compared to net cash used in \$152,775 for the year ended February 28, 2015 due to decrease in exploration expenditures.

*Financing activities:* Net cash provided by financing activities for the year ended February 29, 2016 was \$74,985 compared to \$435,700 for the year ended February 28, 2015 due to decrease in financing activities.

The financial statements for the year ended February 29, 2016 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

## Contractual Obligations

Except as described herein or in the Company's financial statements at the date of this report, the Company had no material financial commitments.

## Off-Balance Sheet Arrangements

At the date of this report, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## Outstanding Share Data

As at the date of this report, the Company had 34,718,095 common shares issued and outstanding. The Company has granted options to acquire common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	2,200,000	\$ 0.05	August 4, 2020

## Related Party Transactions

During the year ended February 29, 2016, the Company entered into the following transactions with related parties and any key management personnel (senior officers and directors) not disclosed elsewhere in the financial statements:

- a) Paid or accrued professional fees and share issuance costs of \$214 (2015 - \$18,468) to a law firm in which a former director is a partner.
- b) Paid or accrued professional fees of \$Nil (2015 - \$10,000) to an officer of the Company.

Included in accounts payable at February 29, 2016 is \$30,276 (February 28, 2015 - \$31,134) due to a law firm in which a director is a partner and \$739 (February 28, 2015 - \$Nil) due to directors of the Company. Included in advances receivable at February 29, 2016 is \$1,913 (February 28, 2015 - \$10,717) due from a company owned by a former officer of the Company.

Included in accounts receivable at February 29, 2016 is \$9,162 (February 28, 2015 - \$21,688) due from a company with common directors.

The key management personnel of the company are the Directors, Chief Executive Officer, and the Chief Financial Officer.

Compensation of the Company's key management personnel is comprised of the following:

	February 29, 2016	February 28, 2015
Professional Fees	\$ -	\$ 10,000
Management Fees	-	-
Stock-based compensation	<u>80,969</u>	<u>-</u>
Total Expense	<u>\$ 80,969</u>	<u>\$ 10,000</u>

## Proposed Transactions

There is currently no proposed transaction under consideration.

## Financial and Capital Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The fair value of the Company's receivables, advances receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The Company's other financial instrument being cash are measured at fair value using Level 1 inputs. The loan payable has been valued using the effective interest rate method.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

*Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper. Receivables consist of receivables due from the government of Canada and amounts due from related parties.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 29, 2016, the Company had a cash balance of \$Nil (February 28, 2015 - \$Nil) to settle current liabilities of \$168,822 (February 28, 2015 - \$178,001). To maintain liquidity, the Company is currently investigating financing opportunities and new exploration projects. Current market conditions make the present environment for raising additional equity financing unfavourable and there can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms. The Company is exposed to liquidity risk.

*Market risk*

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

- (a) Interest rate risk  
The Company has a limited exposure to interest rate risk.
- (b) Foreign currency risk  
The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.
- (c) Price risk  
The company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

*Capital management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. Current financial markets are very difficult and there is no certainty with respect to the Company's ability to raise capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

## Risk Factors

Companies in the exploration stage 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. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

## Critical Accounting Policies and Estimates

The financial statements have been prepared in accordance with international financial reporting standards as adopted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements. On a regular basis, the Company evaluates estimates and assumptions including those related to the recognition of share-based payments.

Estimates are based on historical experience and on various other assumptions that the Company believes to be reasonable. These estimates form the basis of judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

### New standards not yet adopted

The following new standard has been issued but is not effective during the year ended February 29, 2016.

IAS 16 & IAS 38	Amended to (i) clarify that the use of revenue-based depreciation and amortization method is not appropriated, and (ii) provided a rebuttable presumption for intangible assets <sup>(i)</sup>
IAS 1	Amendments IAS 1 as part of overall disclosure initiative to improve the effectiveness of disclosure in financial statements <sup>(i)</sup>
IAS 12	Amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses <sup>(ii)</sup>
IFRS 9	New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets <sup>(iii)</sup>

(i) Effective date is January 1, 2016

(ii) Effective date is January 1, 2017

(iii) Effective date is January 1, 2018

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

## Subsequent Event

Subsequent to the year ended February 29, 2016, the Company announced a proposed private placement of 15,000,000 common shares at \$0.05 per share for gross proceeds of \$750,000, of which 4,300,000 common shares have been issued and \$330,000 received to date by the Company. Completion of the private placement is subject to regulatory approval.