NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2016

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Northern Abitibi Mining Corp. ("Northern Abitibi" or "the Company") for the three and six month periods ended March 31, 2016 and should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three and six month periods ended March 31, 2016 ("Q2 2016") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2015 and related notes thereto. The date of this MD&A is May 16, 2015. Northern Abitibi's common shares trade on the TSX Venture Exchange under the symbol "NAI". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ('SEDAR') and can be accessed at www.sedar.com.

The Company's Unaudited Condensed Interim Consolidated Financial Statements for the six months ended March 31, 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Consolidated Financial Statements as at and for the year ended September 30, 2015. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual Consolidated Financial Statements as at September 30, 2015. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Independent Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Northern Abitibi's exploration projects in the following discussion and analysis is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of Northern Abitibi. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

Northern Abitibi, including its wholly owned subsidiary, NAMCOEX Inc., is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company’s mineral properties are in production. Consequently, the Company’s net income is a limiting indicator of its performance and potential.

2) Highlights – Three and six months ended March 31, 2016

- The Company staked the Cariboo Gold Property located in central British Columbia. For more information refer to Note 3 "Mineral properties, Cariboo Gold property, British Columbia" below.
- The Company continues to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016.
- On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Proceeds net of share issuance costs were $203,742 and will be used to fund working capital requirements.
- The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

3) Mineral Properties

Cariboo Gold Property, British Columbia

During the year ended September 30, 2015, the Company staked the Cariboo Gold Property located in central British Columbia.

The Cariboo Gold Property is 30 kilometres southeast of Quesnel, B.C. with good road access, located in the heart of the Cariboo gold fields which have produced several million ounces of gold from both placer and lode deposits. Major deposits located south and southeast of the Cariboo Gold Property include the QR Mine, the Gibraltar Mine, the Mt. Polley Mine, and the Spanish Mountain and Woodjam projects.

The Cariboo Gold Property has seen significant historic exploration including geophysical and geochemical surveys and drilling. The property is known to contain gold skarn style mineralization similar to the nearby QR deposit, along with epithermal Au mineralization. Historic drilling has also encountered high temperature potassic alteration along with intrusive rocks and breccias indicating potential for Cu-Au porphyry style mineralization.

Historic drilling by Placer Dome and Cross Lake Minerals encountered strong gold mineralization including intercepts of 11 metres grading 1.41 g/t Au, 6 metres grading 2.18 g/t Au, 6 metres grading 1.72 g/t Au, and individual assays up to 4.5 g/t Au. An induced polarization geophysical survey conducted in 2003 for Cross Lake Minerals defines an area 800 metres by 350 metres with anomalous chargeability that remains open to the southwest, west and northeast, with a coincident resistivity high that is 200 metres by 500 metres and appears open to the west and northeast. The known mineralized zones have not been fully drill tested or delineated and significant geophysical and geological targets on the property remain untested.

The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016.

Ches, British Columbia

In December 2014, the Company received the assay results for the surface sampling on the Ches property. Significant intervals of highly anomalous copper and zinc have been encountered in the trenches demonstrating the system contains significant anomalies in bedrock. These values range from 200 to 1000 ppm copper, and 200 to 5150 ppm zinc. After a thorough review of the 2014 exploration results the Company decided to terminate the Option Agreement on the Ches property and on March 5, 2015, the Company returned the property to the vendors. During the summer of 2015 all reclamation work was completed on the property and the reclamation bond held by the Government of British Columbia was returned. The Company has no further legal obligations or commitments with respect to the Ches property.

4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	**2015**	**2016**	**2015**
General and administrative	**$ (14,529)**	$ (17,078)	**$ (28,582)**	$ (37,542)
Reporting to shareholders	**(4,017)**	(311)	**(4,017)**	(4,174)
Professional fees	**(1,501)**	(495)	**(1,501)**	(1,844)
Stock exchange and transfer agent fees	**(2,472)**	(2,373)	**(4,256)**	(4,183)
Depreciation	**(83)**	(157)	**(165)**	(314)
Impairment	**-**	(65,007)	**-**	(65,007)
Gain (loss) on short-term investments	**55,250**	164,250	**(55,750)**	108,250
Interest income	**66**	40	**66**	40
Net and comprehensive income (loss)	**$ 32,714**	$ 78,869	**$ (94,205)**	$ (4,774)

In general, the objective to tightly manage costs as a strategy to conserve resources during this economically challenging time remains a priority for the Company. Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below. The most significant changes in other expenditures follow:

- Overall, expenditures in the current period were consistent with budgeted expenditures.
- Reporting to shareholders expenditures relate to the filing and dissemination of the annual audited financial statements for which there was no significant variance. The variance between the three month comparative periods results because of the timing of the preparation of the annual audited financial statements which occurred in Q2 of 2016 and Q1 of 2015.
- The impairment charges in 2015 relate to the Ches property, which was returned to the vendors in March 2015. No similar charges were incurred in the six month period ended March 31, 2016.
- In the current period, the Company recognized a gain on short-term investments of $55,520; however, over the six month period a loss of $55,750 was incurred. The loss on short-term investments results from adjusting the Company's holding in common shares and warrants of Société d'Exploration Minière Vior Inc. ("Vior Inc."), Spruce Ridge Resources Ltd. ("Spruce Ridge") and Commander Resources Ltd. ("Commander") to fair value at the respective period ends. At March 31, 2016 Spruce Ridge shares were trading at $0.020 versus $0.025 at September 30, 2015, resulting in a loss of $55,000. At March 31, 2015 these shares were trading at $0.025 per share versus $0.015 at September 30, 2014, resulting in a gain of $110,000. At March 31, 2016, The Vior Inc. shares were trading at $0.040 per share versus $0.055 at September 30, 2015, resulting in a loss of $2,250. At March 31, 2015 and September 30, 2014, they were trading at $0.07 per share (after a 5:1 reverse stock split) and $0.015 at September 30, 2014 resulting in a loss of $750 change in the fair value at the comparative period end. Finally, the value of the Commander Resources Ltd shares increased from $0.015 at September 30, 2015 to $0.030 at March 31, 2016 resulting in a gain of $1,500. During the comparative periods the value of the shares fell from $0.03 per share at September 30, 2014 to $0.02 per share at March 31, 2015 resulting in a loss of $1,000. These market price declines result in significant valuation adjustments from period to period.

General and administrative expenses

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	2015	**2016**	2015
Administrative consulting fees	**$ 4,708**	$ 2,065	**$ 6,633**	$ 7,105
Occupancy costs	**4,855**	3,065	**6,355**	6,455
Office, secretarial and supplies	**1,795**	8,393	**9,416**	15,928
Travel and promotion	**-**	200	**-**	200
Insurance	**2,883**	2,853	**5,765**	5,706
Directors' fees	**-**	-	**-**	1,000
Computer network and website maintenance	**288**	502	**413**	1,148
Total general and administrative expenses	**$ 14,529**	$ 17,078	**$ 28,582**	$ 37,542

- Administrative consulting fees, which consist of fees for the CFO, the controller and geological consulting, are down by approximately $500 in accordance with budgeted expenditures. There were no geological consulting fees incurred, nor fees for the services provided by the CFO in either the current period or comparative period. The variance from the comparative period primarily results from the timing of the audit of the annual financial statements at September 30, 2015 and September 30, 2014.
- Occupancy costs have increased by $1,800 in the current quarter from the comparative quarter and result due to a new lease entered into April 1, 2015 and a subsequent change to the office cost sharing arrangements with the Company's related parties. See Note 17 - "Related party balances and transactions and key management remuneration" and Note 18 - "Commitments" in the unaudited interim consolidated financial statements dated March 31, 2016 which accompany this document. Occupancy costs are expected to be approximately $2,000 per month until the lease terminates March 31, 2017.
- There is drop of $6,500 in office, secretarial and supplies expenditures during the current from comparative periods. The majority of the expenditures relate to office salary allocations, and are in accordance with the budget. The current period change results because the Company is no longer receiving services from Guatavita Gold Corporation, a related party. See Note 17 - "Related party balances and transactions and key management remuneration" in the unaudited interim consolidated financial statements dated March 31, 2016 which accompany this document.
- There is no significant variation in insurance premiums between current and comparative quarters.
- Effective Q2 2015 to present, directors were not paid fees as a voluntary cost management measure.
- Computer network and website maintenance fees are down in the current periods by approximately $700. The decrease is a result of expenditures in Q1 2015 relating to the purchase and installation of a new network system. No similar expenditures were required in during the current periods.

Professional fees

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	**2015**	**2016**	**2015**
Audit and accounting	**$ 1,065**	$ -	**$ 1,065**	$ (30)
Legal and filing fees	**436**	495	**436**	1,874
Total professional fees	**$ 1,501**	$ 495	**$ 1,501**	$ 1,844

- Professional fees, which consist of annual auditing fees plus legal and other filing fees. The audit and accounting expenditure of $1,065 is due to an under accrual of the 2015 audit fees.
- In the current and comparative periods legal and filing fees consist primarily of fees for news releases and SEDAR continuous disclosure filings and correspond with the volume of activity in each period. Also included are nominal legal fees for filing annual returns.

5) Liquidity and Capital Resources

The Company's working capital position at March 31, 2016 was $440,983 (September 30, 2015 - $332,887) an increase of $108,000. On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Proceeds net of share issuance costs were $203,742 and will be used to fund working capital requirements.

Other significant changes to working capital are as follows:

- A decline in the fair market value of the short-term investments from $284,750 at September 30, 2015 to $229,000 at March 31, 2016 resulted in a loss of $55,750.
- Operations for the six month period ended March 31, 2016 used approximately $48,000 which included an increase in accounts receivable of $1,200, a reduction of $2,700 in prepaid expenses and a decrease of $11,000 (a net decrease in working capital of $9,500).
- Additionally, the Company has invested $1,600 in exploration and evaluation assets, primarily for property acquisition related to the Cariboo Gold property in British Columbia.

Assuming similar activity levels, the Company will have sufficient cash to finance general and administrative operations the remainder of the current year and beyond, before acquisition costs and exploration expenses are accounted for. Additional financing will be required to fund any exploration programs. Management is continually assessing financing options. While the Company has successfully raised equity funds in the past, there are no guarantees that it will be able to do so in the future. As a result, there is doubt regarding the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments that would be necessary to the carrying amount of reported assets, liabilities, revenues and expenses if the Company could not continue as a going concern. Such adjustments could be material. Refer to Note 1 - Nature of operations and going concern in the Consolidated Financial Statements, September 31, 2015.

6) Financing

On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Each broker warrant entitles the holder to purchase one common share at a price of $0.05 per share until March 23, 2021. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Option Pricing model assuming a volatility of 124%, a risk free rate of 0.60%, a five year warrant life, and a 0% dividend rate.

During the year ended September 30, 2015, there were no financing activities.

7) Contractual Obligations

Pursuant to a lease agreement for office space, the Company is committed to pay its share of base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additional annual rent is estimated to be approximately $13,600. As at March 31, 2016, the committed base lease costs to the termination of the lease are as follows:

April 1, 2016 - September 30, 2016	$	5,216
October 1, 2016 - March 31, 2017	$	5,216
Total to lease termination	$	10,432

8) Exploration Expenditures

Refer to Note 8 “Exploration and evaluation assets,” in the Condensed Interim Consolidated Financial Statements for exploration and evaluation asset expenditures for the three and six month periods ended March 31, 2016.

9) Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	**Mar 31 2016 (Q2 2016)**	**Dec 31 2015 (Q1 2016)**	**Sep 30 2015 (Q4 2015)**	**Jun 30 2015 (Q3 2015)**	**Mar 31 2015 (Q2 2015)**	**Dec 31 2014 (Q1 2015)**	**Sept 30 2014 (Q4 2014)**	**Jun 30 2014 (Q3 2014)**
	$	$	**$**	**$**	**$**	**$**	**$**	**$**
Loss before recovery (impairment) of exploration and evaluation assets	(22,602)	(15,919)	(29,974)	(17,065)	(20,414)	(27,643)	(42,717)	(48,468)
Recovery (impairment) of exploration and evaluation assets	-	-	14,295	1,083	(65,007)	-	-	-
Loss before other items	(22,602)	(15,919)	(15,679)	(15,982)	(85,421)	(27,643)	(42,717)	(48,468)
Interest and other income	66	-	-	99	40	-	126	1
Gain (loss) on short-term investments	55,250	(111,000)	47,249	(50,499)	164,250	(56,000)	(5,750)	(55,000)
Comprehensive profit (loss)	32,714	(126,919)	31,570	(66,382)	78,869	(83,643)	(48,341)	(103,467)
Basic and diluted earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The most significant influences on the variability of profit or loss are the amount of exploration and evaluation asset impairments, gains on sale of exploration and evaluation assets, income from flow-through shares, and gains or losses on short-term investments. The timing of the impairments and gains on sale of the Company’s Exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period by period basis.

The Company has received common shares and warrants in three separate publicly traded Companies as partial consideration for the sale of mineral property interests in past years. Comprehensive Profit or Loss will fluctuate as the carrying value of these investments is adjusted to fair value at the respective period ends.

10) Directors and Officers

Shane Ebert	*Director and President*	Douglas Cageorge	*Director*
Jean-Pierre Jutras	*Director and Vice-President*	Douglas Porter	*Chief Financial Officer*
Barbara O’Neill	*Corporate Secretary*	Lesley Hayes	*Director*

11) Related Party balances and transactions and key management remuneration

Transactions for Q2 2016 are disclosed and explained in Note 17 to the Condensed Interim Consolidated Financial Statements for the six month period ended March 31, 2016 which accompany this MD&A.

12) Share capital and equity reserves

Refer to Note 12 to the financial statements and the Condensed Interim Statement of Changes in Equity for common share capital, stock option and warrant transactions during the six months ended March 31, 2016 and balances as at that date. There were no changes to Share capital, Warrants or Options during the period from April 1, 2016 to May 16, 2016, the date of this report.

13) Financial instruments

The carrying value of the Company's financial instruments, consisting of cash at bank, accounts receivable (net of sales tax), short-term investments and accounts payable and accrued liabilities, approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. he Company had no foreign currency denominated fund balances. Consequently, variations in foreign exchange rates will not result in foreign exchange gains or losses at this point in time.

14) Financial risk management

a) Credit risk
Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company’s financial instruments that could be subject to credit risk consist of receivables. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at March 31, 2016 and September 30, 2015.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company’s approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. During the three month period ended March 31,

2016, the Company completed a brokered private placement of Common shares for aggregate gross proceeds of $230,000. The Company feels that it has sufficient working capital to finance general and administrative and other operating expenses for at least one year assuming similar activity levels to the prior year, however, increases in activity levels, new property acquisitions and a 2016 exploration program would require additional financing. Refer to Note 1 - Nature of operations and going concern on the Consolidated Financial Statements, September 30, 2015.

c) Market risk

Market risk consists of currency risk, price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risks at this time. As the Company has not yet developed producing mineral interests, it is not exposed to commodity price risk at this time. As the Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. The Company's equity investments are subject to market price risk. These investments were received as proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments as a general rule. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the six month period ended March 31, 2016, the market price fluctuation on the investments held resulted in a net loss of $55,750 (19.5%) (year ended September 30, 2015 - net gain of $105,000 (58%)) on short-term investments. In 2016 a 10% change in fair value of the Company's marketable investments would result in a charge to income of $22,900 (2015 - $28,475). The Company does not intend to hold these investments for more than one year.

15) Outlook

The Company’s primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

During the year ended September 30, 2015, the Company acquired the Cariboo Gold property, located in central British Columbia, through staking. The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016. Refer to section 2) Highlights and 3) Mineral properties of this document for more information relating to the acquisition of this property.

The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

16) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in 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 exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. 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.

- **Substantial capital requirements and liquidity**
  Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on a reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental

legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

17) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company’s estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation and warrants. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

18) New Accounting Policies

The Company did not adopt any new accounting policies during the six months ended March 31, 2016.

IFRS accounting standards, interpretations and amendments subsequent to period-end

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

i) IFRS 9 - Financial Instruments

IFRS 9 - Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2015. There have been new amendments related to IFRS 9 issued in November 2013. Although the transition date has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year and beyond, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

19) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.