

## MUKUBA RESOURCES LIMITED

### Management's Discussion and Analysis – Quarterly Highlights Three Months ended March 31, 2016

#### Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Mukuba Resources Limited ("Mukuba" or the "Company") for the three months ended March 31, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2015. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2015 and 2014, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is presented as of May 30, 2016, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Mukuba common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operation can be obtained in documents and reports filed by the Company on the SEDAR website ([www.sedar.com](http://www.sedar.com)). The Company trades on the NEX, under the symbol "MKU.H".

#### Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2017, subject to the Company identifying a new project requiring additional financing.	The operating activities of the Company for the twelve-month period ending March 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for the Company's operating activities.	Changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

### **Description of Business**

Mukuba is focused on identifying a new project and has determined not to limit its search for a new project to the mining and resource sector and is broadening its search to include oil and gas, technology or other opportunities where it may be possible to create shareholder value.

The Company's common shares are listed on the NEX under the symbol "MKU.H".

### **Operation Highlights**

During the quarter, the Company entered into a series of promissory note arrangements for the purposes of covering professional fees and reporting issuer costs. As of March 31, 2016, the Company borrowed \$18,216 from C. Marrelli Services Limited, a company related to Marrelli Support Services Inc. ("MSSI") through common ownership, and \$5,000 from an unrelated party. The promissory note is unsecured, bears interest at a rate of Prime Rate, as defined in the agreement, plus 5% per annum and is due on demand.

### **Trends**

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic

decisions. During the quarter, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction.

Apart from these and the risk factors noted under the heading “Risk Factors” and “Cautionary Note Regarding Forward-Looking Information”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition or results of operations.

## **Financial Highlights**

### **Financial Performance**

For the three months ended March 31, 2016, the Company’s net loss was \$15,281 (\$0.00 per share) compared to a net income of \$7,522 (\$0.00 per share) for the three months ended March 31, 2015.

Net loss increased to \$15,281 from a net income of \$7,522 overall due to the following:

- During the three months ended March 31, 2015, the Company incurred a gain of \$59,000 from debt forgiveness. This was a one-time gain that did not take place in the three months ended March 31, 2016.
- Professional fees decreased by \$8,065 as a result of the Company no longer having any operations.
- Administrative and general expenses decreased by \$6,189 as a result of the Company no longer having any operations.

### **Cash Flow**

At March 31, 2016, the Company had cash of \$13,430. The increase in cash from December 31, 2015 to March 31, 2016 was due to proceeds received from promissory notes of \$15,948, partially offset by cash from operating activities of \$7,000 (with major items being general and administrative expenditures, partially offset by a decrease in accounts receivable and other assets and an increase in accounts payable and other liabilities).

### **Liquidity and Financial Position**

The Company currently has no operating cash inflow and, to date, has financed its previous mineral exploration activities and its ongoing expenditures primarily through equity offerings, convertible debt offerings, promissory note proceeds and the proceeds received from the exercise of warrants. The Company’s financial success will continue to be dependent on its ability to secure additional financing to fund its working capital deficiency and identify a new project to create shareholder value. The Company’s available cash has been used and will continue to be used, to the extent required, to fund its negative cash flow. No assurance can be given that the Company will ever generate a positive cash flow from operations.

As at the date of this Interim MD&A the Company did not have sufficient funds to finance its administrative budget for the next twelve months (see “Subsequent Event” below). The Company’s ability to continue operations is dependent on the Company’s ability to secure additional financing. The Company is actively pursuing such additional sources of financing on terms that are acceptable, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Additional financing may not be available when needed or, even, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company’s business and financial condition, and affect its ability to continue as a going concern.

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had a cash balance of \$13,430 compared to \$4,482 as at December 31, 2015, and current liabilities of \$71,767 compared to \$49,068 as at December 31, 2015. The Company regularly evaluates its cash position in order to maintain liquidity. The Company is actively seeking financing to fund its operations and to discharge current liabilities (see “Subsequent Event” below).

## Related Party Transactions

	Notes	Three months ended March 31,	
		2016	2015
MSSI	(i)	\$3,601	\$10,500
DSA Corporate Services Inc. ("DSA")	(ii)	\$1,129	-

(i) The current Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of Mukuba is a senior employee of MSSI and the former CFO was a consultant engaged by MSSI. The fees relate to the CEO and CFO function and other accounting and bookkeeping services provided by MSSI. As at March 31, 2016, included in accounts payable and other liabilities was \$5,150 (December 31, 2015 - \$4,000). Amounts are unsecured, non-interest bearing and are due on demand. During the three months ended March 31, 2016, the former CFO forgave \$nil (three months ended March 31, 2015 - \$9,000) of accrued director fees owed to him by the Company.

(ii) DSA, a firm providing corporate secretarial services, is affiliated with MSSI through a common officer. As at March 31, 2016, included in accounts payable and other liabilities was \$nil (December 31, 2015 - \$2,569). Amounts are unsecured, non-interest bearing and are due on demand.

(iii) During the three months ended March 31, 2016, Martin Horgan, a former director, forgave \$nil (three months ended March 31, 2015 - \$50,000) of accrued consulting and director fees owed to him by the Company.

(iv) See "Operation Highlights".

To the knowledge of the directors and executive officers of the Company, the common shares of the Company are widely held.

## Subsequent Event

Subsequent to March 31, 2016, the Company issued separate promissory notes whereby the Company borrowed \$7,000 from C. Marrelli Services Limited and \$7,000 from an unrelated party. The promissory notes are unsecured, bear interest at a rate of Prime Rate, as defined in the agreement, plus 5% per annum and are due on demand.

## Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities

legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2015, available on SEDAR at [www.sedar.com](http://www.sedar.com).