

**NETWORK EXPLORATION LTD.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**YEAR ENDING NOVEMBER 30, 2015**

**1.1 Date of Report: March 29, 2015**

The following management discussion and analysis (“MD&A”) of the financial position and results of operations for Network Exploration Limited (the “Company” or “Network”) should be read in conjunction with the audited consolidated financial statements and the notes thereto for the twelve months ended November 30, 2015 and 2014. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**1.2 Overall Performance**

Network Exploration Ltd. is a public company listed on the TSX Venture Exchange under the trading symbol “NET”. The Company is primarily a junior exploration company focusing on the exploration of mineral properties in South America. Activities include the process of exploring its mineral properties, reviewing and subsequently acquiring new mineral properties and conducting exploration programs to determine whether these properties contain ore reserves that are economically recoverable. The company currently capitalizes all exploration costs and the recoverability of amounts shown for the mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

The address of the Company’s head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1005 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company maintains a website at [www.networkexploration.com](http://www.networkexploration.com).

The Company’s ability to continue as a going concern, to fund mineral property acquisition and exploration commitments and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. These factors may cast significant doubt on the Company’s ability to continue as a going concern. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

***Mineral Properties***

The Company’s mineral properties are located in Peru. The capitalized costs represent exploration and acquisition costs associated with the Company’s mineral properties.

**Pistala - Peru**

In February 2007, by way of a third party agreement, the Company staked the 1,600 hectare Pistala property in Southern Peru; and in July 2008, the Company staked an additional 1,300 hectares. The Company entered into a participation agreement with NETEXP.SAC Peru whereby Network Exploration Ltd. is entitled to 95% of the rights and benefits derived from the property. The Company still has title to the Pistala project; however, during the year ended November 30, 2013, the Company wrote off \$191,821 in accumulated exploration expenditures, as management has decided not to incur further expenditures at the present time.

### Share Consolidations

On April 2, 2014, the Company consolidated its common shares (the “Shares”) on the basis of one (1) post-consolidated common share for every ten (10) pre-consolidated Shares held (the “Consolidation”). The new CUSIP number is 64124B300 and the new ISIN number is CA64124B3002. The Consolidation was approved by shareholders of the Company at the Company’s Annual and Special Meeting held on August 20, 2013 (the “Meeting”). The Company had 1,315,600 Shares issued and outstanding following the Consolidation. All references to the number of common shares and per common share amounts have been retroactively restated to reflect this common share consolidation.

On January 20, 2016, the Company consolidated its common shares (the “Shares”) on the basis of one post-consolidated common share for every four pre-consolidated Shares held (the “Consolidation”). The Consolidation was approved by shareholders of the Company at the Company’s Annual and Special Meeting held on December 17, 2015. The Company had 4,437,530 common shares issued and outstanding following the Consolidation. All references to the number of common shares and per common share amounts have been retroactively restated to reflect this common share consolidation.

### Private Placement

On May 28, 2014, the Company completed a private placement and issued 925,750 units at a price of \$0.20 per unit for gross proceeds of \$185,150. Each unit consists of one Class A common share and one quarter share purchase warrant. Each warrant entitles the holder to purchase one Class A common share at a price of \$0.40 up to May 27, 2016. The Company paid no finder’s fees.

### Debt Settlement

On August 8, 2014, the Company completed a debt settlement whereby it issued 440,926 shares (“Shares”) at a deemed price of \$0.20 per Share and 1,755,254 units (the “Units”) at a deemed price of \$0.20 per Unit to settle outstanding debts of \$439,236. Each Unit consists of one Share and one-quarter of a common share purchase warrant (each whole share purchase warrant, a “Warrant”). Each whole Warrant entitles the holder to purchase one additional Share at a price of \$0.40 per share for a period of two years.

### 1.3 Selected Annual Information

The following data reviews the last three fiscal years and may be used for reference while reading this MD&A.

	Year Ending November 30, 2015 \$	Year Ending November 30, 2014 \$	Year Ending November 30, 2013 \$
<b>Results of Operations</b>			
Total Revenues	-	-	-
Loss from Operations	<b>(199,215)</b>	(206,969)	(1,041,410)
Net Loss and Comprehensive Loss for the year	<b>(199,215)</b>	(191,851)	(1,041,410)
Basic and Diluted Loss per share*	<b>(0.04)</b>	(0.08)	(0.79)
<b>Financial Position</b>			
Total Assets	<b>34,093</b>	50,818	42,120
Long Term Debt	-	-	-
Cash Dividends declared	-	-	-

\* Restated for 10 to 1 share consolidation completed April 2, 2014 and 4 to 1 consolidation completed January 20, 2016

Between 2006 and 2013, operation and exploration costs rose significantly as a result of increased activity in the Company and the Company's graduation from the NEX board to the TSX Venture. The Company raised funds, acquired interests, and commenced exploration in two mineral exploration properties in South America: the Caldera property in Chile and the Pistala property in Peru. In 2013, due to market conditions, the Company was forced to decrease expenses related to operations and exploration and decided to write down its exploration assets completely. The Company's mineral property assets at the end of the fiscal years ending November 2015 and 2014 are \$1 and \$1 respectively.

The Company employs various controls and measures to ensure the Company is in accordance with current accounting standards and regulatory policies.

#### 1.4 Results of Operations for the year ended November 30, 2015

##### **Revenue**

The Company is in the exploration and development stage and does not generate any revenue. To date the Company has not earned any significant revenues.

##### **General and Administrative Expenses**

The Company's expenses during the year ended November 30, 2015 were similar to those of the year ended November 30, 2014. Loss from operations decreased by \$7,754 to \$199,215 (2014 - \$206,969). Travel and Project investigation expenses increased from \$Nil in 2014 to \$13,366 in 2015 as the Company looked at acquisition opportunities.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of commodity prices, and the uncertainty of fundraising activities.

#### 1.5 Summary of Quarterly Results

Three months ended	Total Revenues	Net Loss	Loss Per Share (basic and diluted)*
November 30, 2015	\$Nil	\$63,568	\$0.01
August 31, 2015	\$Nil	\$45,736	\$0.01
May 31, 2015	\$Nil	\$53,562	\$0.01
February 28, 2015	\$Nil	\$36,349	\$0.01
November 30, 2014**	\$Nil	\$68,928	\$0.01
August 31, 2014***	\$Nil	\$38,361	\$0.01
May 31, 2014	\$Nil	\$71,427	\$0.04
February 28, 2014	\$Nil	\$28,253	\$0.02

\* Restated for 10 to 1 share consolidation completed April 2, 2014 and 4 to 1 consolidation completed January 20, 2016

\*\* Net loss for period not including finance expense of \$900

\*\*\* Net loss for period not including Gain from Debt Settlement of \$16,018

## 1.6 Liquidity

In management's view, given the nature of the Company's operations, which consist of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of stock options or warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt. The Company continues to seek capital through various means including the issuance of equity and/or debt. During this year the Company has received a loan from a third party to fund operating expenses.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

## 1.7 Capital Resources

At November 30, 2015 the current assets of the Company consist of cash in the bank and GST recoverable totaling \$19,997 and the Company has a working capital deficiency of \$244,938. The Company will have to generate additional cash from equity raised through the Canadian public markets to meet its commitments.

## 1.8 Off Balance Sheet Arrangements

At November 30, 2015, 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.

## 1.9 Transactions with Related Parties

The Company has incurred charges during the period from directors and senior management, or companies controlled by them, for management fees and consulting fees in the amount of \$38,000 (2014 - \$48,500). Amounts due to related parties are interest free and unsecured, and are payable on demand.

As at November 30, 2015 trade and other payables include \$70,309 (2014 - \$19,425) due to related parties. Amounts due to related parties are interest free, unsecured, and have no specified terms of repayment.

The Company shares office space with other companies. During the year ended Nov 30, 2015, the Company paid \$121,558 (2014 - \$117,453) in total rent, of which \$16,500 (2014 - \$7,000) were recovered from companies with a common director and \$68,386 (2014 - \$64,750) were recovered from other companies.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

*Directors and Officers*

As at November 30, 2015 and November 30, 2014 the Company had the following directors and officers:

Alexander Helmelt – President, CEO and Director  
 Darren Urquhart, CPA, CA – CFO  
 Rick Vaive – Director  
 Robert Friesen – Director

**1.10 Fourth Quarter**

The Company's focus during the fourth quarter was to evaluate financing and acquisition opportunities.

Activity in the fourth quarter was consistent with recent quarters. General & administrative expenses rose primarily due to increase in travel expenses related to project evaluation expenses. The Company continues to monitor expenditures closely due to current market conditions and continues to review financing and acquisition opportunities.

**1.11 Proposed Transactions**

There are no proposed transactions that will materially affect the performance of the Company.

**1.12 Other MD&A Requirements**

This MD&A should be read in conjunction with the unaudited financial statements for the year ended November 30, 2015. This MD&A is intended to assist the reader's understanding of Network Exploration and its operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. Network Exploration's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee is free to meet with the independent auditors throughout the year.

**Summary of Outstanding Share Data as of the Date of this Report**

	<b>Number Issued and Outstanding</b>
<b>Common shares *</b>	4,437,530
<b>Stock Options *</b>	Nil
<b>Warrants *</b>	670,251
<b>Fully Diluted *</b>	5,107,781

\* These numbers reflect the effect of the consolidation effected January 20, 2016 (see section 1.13).

### 1.13 Subsequent Events

On January 20, 2016, the Company consolidated its common shares (the “Shares”) on the basis of one post-consolidated common share for every four pre-consolidated Shares held (the “Consolidation”). The Consolidation was approved by shareholders of the Company at the Company’s Annual and Special Meeting held on December 17, 2015. The Company had 4,437,530 common shares issued and outstanding following the Consolidation. All references to the number of common shares and per common share amounts have been retroactively restated to reflect this common share consolidation.

On February 5, 2016, the Company announced a proposed private placement whereby the Company wishes to issue up to 4,500,000 common shares at a price of \$0.10 per common share for gross proceeds of up to \$450,000. Proceeds of this offering will be used for general working capital purposes.

### OTHER INFORMATION

#### Approval

The Board of Directors of Network Exploration Ltd. has approved the disclosure contained in the MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### Controls and Procedures

Disclosure controls and procedures (‘DC&P’) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (‘ICFR’) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) 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 (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP. The issuer’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 their certificates regarding absence of misrepresentations and fair disclosure of financial information. 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 MI 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.

### Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to the future metal prices, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price of metals; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.