

UC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FORM 51-102F1
For the Year ended June 30, 2016

1. INTRODUCTION

This discussion and analysis of financial position and results of operations ('MD&A') and cash flows of UC Resources Ltd. (the "Company") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2016 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. All references to "common shares" refer to the common shares in our capital stock. The effective date of this MD&A is June 2, 2017.

As used in this report, the terms "we", "us", "our", the "Company" and "UC Resources" mean UC Resources Ltd. unless otherwise indicated.

This MD&A contains forward-looking statements. These statements relate to future events or our future financial performance. Forward-looking information involves, but is not limited to, (i) currency fluctuations; (ii) the sufficiency of working capital; (iii) requirements for additional capital; and (iv) the statements about future operating and capital costs. In some cases, you can identify forward-looking statements by terminology such as "intends", "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk and uncertainties" that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

The forward-looking statements herein are made as of the date of this MD&A only. The Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

2. OVERALL PERFORMANCE

UC Resources is an exploration stage company engaged principally in the acquisition, exploration, and development of mineral properties in Mexico. The Company is an incorporated entity with its head office located at 1820 – 925 West Georgia Street, Vancouver BC, Canada, V6C 3L2 and its registered and records office located at 1820 – 925 West Georgia Street, Vancouver, BC, Canada, V6C 3L2.

The Company has been focused on the exploration of its mineral properties in Mexico since March 31, 2004. Recently, difficult market conditions for venture companies and the decline in silver prices have prevented access to new capital for further development of our properties and the Board of Directors of the Company have concluded that it was unsustainable to maintain our interests in Mexico. Accordingly, as recommended by the Board of Directors the Company has sold its Mexican subsidiaries to Cane Resources, a Mexican corporation

Effective July 29, 2014, the Company completed a share consolidation in which 1 post consolidation common share replaced ten pre-consolidation common shares. As such, all current and comparative share capital amounts have been restated to account for the 10 to 1 common share consolidation unless otherwise noted.

Subsequent to disposal of its Mexico properties, management focused on resource projects within Canada. The company plans to continue to pursue opportunities in the Canadian resource sector. Financing will be required for the future acquisition and development of any new projects.

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The continued drag out diligence period by FIFOMI has resulted in the company to come to the recent determination to sell off both of its Mexican subsidiaries to Cane Resources and to move the Company in a completely different direction.

In exchange for the purchase price of \$2.00, Cane Resources agrees that they assume all mineral rights, all contracts, all plant and equipment, all existing loans, all other liabilities and any potential environmental issues and resolve required should any occur. It is the determination of the Cane Resources as to whether they will choose to move mill operations into a state of production, joint venture, liquidation for potential gain or losses derived. All responsibility as far as Mexico goes - passes to Cane the buyer. Cane will determine the course of action for the Mexican assets.

It has been determined that a management change is required as well as a change of direction for the Company, and on October 28, 2014 Gregg Roberts, Jim Voisin and John Archibald resigned as Directors of the Company. Jim Voisin also resigned as Chief Operating Officer, leaving Gary Monaghan as Director, Executive Chairman, CEO and President. Subsequent to disposal of its Mexico properties, management focused on resource projects within Canada. The company plans to continue to pursue opportunities in the Canadian resource sector. Financing will be required for the future acquisition and development of any new projects.

3. SELECTED ANNUAL INFORMATION

The following financial data are derived from the Company's financial statements for the fiscal years ended June 30, 2016 and 2015:

	Year Ended June 30,		
	2016	2015	2014
Net Loss – continuing operations	\$ (131,117)	\$ (277,352)	(499,229)
Net Loss – discontinued operations	-	110,961 ⁽²⁾	(14,888,450) ⁽¹⁾
Net Loss per share Basic - continuing operations	(0.01)	(0.01)	(0.03)
Net Loss per share Basic - discontinued operations	0.00	0.00	(0.77)
Total assets	31,383	38,598	1,082,792

⁽¹⁾ write down for discontinued operations

⁽²⁾ Mexican subsidiaries sold in October 2014

4. RESULTS OF OPERATIONS

The Company does not currently have any projects, and is actively looking for business opportunities.

At June 30, 2016, the Company had not yet achieved profitable operations and has accumulated losses of \$40,225,955, since inception, including the net loss for the year ended June 30, 2016 of \$131,117.

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The review of results of operation should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2016 and 2015. Results of operations are summarized as follows:

	Year Ended June 30,	
	2016	2015
Management fees and consultants	\$ 90,000	\$ 130,000
Investor communications	-	9,085
General and administrative	41,117	126,476
Other (income) expenses	-	11,791
Gain from discontinued operations	-	(110,961)
Net Loss	\$ 131,117	\$ 166,391

Management fees - Expenses for management fees decreased compared to previous year, due to a resignation of the COO.

Investor communications - The decreased from the prior year ended June 30, 2015, was due to the lack of operations in 2016.

General and administrative – General and administrative expenses decreased due to the reductions of operations.

Other income – During the year ended June 30, 2015, the Company recognized a loss on disposal of equipment.

Outlook - The Company has not been able to bring its projects into projected revenues with consistent results to fruition and is abandoning plans to do so.

5. SUMMARY OF QUARTERLY RESULTS

	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015
Total assets	\$ 31,383	\$ 46,674	\$ 45,822	\$ 46,943
Working capital (deficit)	(521,613)	(488,697)	(463,139)	(435,788)
Interest income(expense)	-	-	-	10
Net income (loss)	(34,005)	(25,927)	(27,718)	(43,467)

Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
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	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014
Total assets	\$ 38,598	\$ 421,088	\$ 415,959	\$ 1,045,111
Working capital deficit	(397,396)	(424,662)	(366,316)	(867,731)
Net Income from discontinued operations	-	-	207,085	(96,124)
Net Income (loss) from continuing operations	(62,035)	(63,789)	(61,911)	(89,617)

Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
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6. LIQUIDITY AND CAPITAL RESOURCES

Working capital deficit at June 30, 2016 was \$521,613 and this is not considered sufficient to finance budgeted exploration, general and administrative expenses, investor relations and acquisition commitments for the twelve months ending June 30, 2017.

Effective July 29, 2014, the Company completed a share consolidation in which 1 post consolidation common share replaced ten pre-consolidation common shares. As such, all current and comparative share capital amounts have been restated to account for the 10 to 1 common share consolidation unless otherwise noted.

Subsequent to disposal of its Mexico properties, management focused on resource projects within Canada. The company plans to continue to pursue opportunities in the Canadian resource sector. Financing will be required for the future acquisition and development of any new projects.

Contractual obligations

The Company has no contractual obligations for the ensuing five-year period.

7. OFF-BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements except for contractual obligations noted above.

8. TRANSACTIONS WITH RELATED PARTIES

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due from/due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the periods ended June 30, 2016 and 2015.

The remuneration of directors and other members of key management personnel included.

	June 30,	
	2016	2015
During the period:		
Management fees	\$ 90,000	\$ 130,000
Salaries	15,000	60,000
Balance due to period end:	June 30, 2016	June 30, 2015
Officers, and Directors	290,325	258,025
Loan payable	40,058	20,058

1. Consulting fees of \$90,000 (2015 - \$90,000 were accrued to a company controlled by the CEO, Gary Monaghan, a director, and officer. At June 30, 2016, \$205,625 was payable (2015 - \$)
2. Consulting fees of \$nil (2015 - \$40,000 were accrued to a company controlled by the COO, Jim Voisin, a previous director and officer.
3. Salaries of \$15,000 (2015 - \$60,000) were accrued to the previous CFO, Nicole Wood. At June 30, 2016, \$84,700 was payable (2015 - \$69,700).

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4. At June 30, 2016, \$40,058 (2015 - \$20,058) was owed to Sunvault Energy Inc., a company with a common director and officer in common, Gary Monaghan.

Related party transactions are summarized in Note 9 to the audited consolidated financial statements for the period ended June 30, 2016.

9. FOURTH QUARTER

Three Months Ended June 30, 2016 compared to Three Months Ended June 30, 2015.

The decrease in net loss in June 30, 2016 \$34,005 compared to June 30, 2015 \$62,035 is primarily due partially to the write off as equipment in 2015 of \$11,791. With the reduction in operations, costs were cut in all areas of operations.

10. PROPOSED TRANSACTIONS

Not applicable.

11. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates, which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Judgments

- Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.
- In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

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Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates based on assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's best estimates, as additional information becomes available. The most sensitive estimates affecting the financial statements were the determination of the existence of contingent assets and liabilities, the valuation of share-based compensation and the valuation of deferred income tax assets.

Areas where estimates are significant to the consolidated financial statements were as follows:

- the estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty;
- the inputs used in accounting for share purchase option expense in the consolidated statement of loss and comprehensive loss;
- the valuation of deferred income tax assets.

12. CHANGES IN ACCOUNTING POLICIES

Reference should be made to the audited financial statements for the year ended June 30, 2016 for full disclosure of significant accounting policies under IFRS.

New Accounting Policies Not Yet Adopted

The following standards and interpretations have been issued but are not yet effective, have not been early adopted by the Company, and therefore have not been applied by the Company in preparing these consolidated financial statements:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. In February 2014, the IASB decided that the mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018. The Company plans on adopting IFRS 9 as of July 1, 2018 however has yet to assess the full impact of adoption.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model for an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of evaluating the impact that these standards will have on the financial statements.

IFRS 16 Leases

IFRS 16 replaces the previous leases standard, IAS 17 Leases, and interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a

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contract, lessee and lessor. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers. The Company is in the process of evaluating the impact that these standards will have on the financial statements.

13. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash is designated as fair-value-through-profit-and-loss and measured at fair value. Accounts payable and accrued liabilities are designated as other financial liabilities and measured at amortized cost.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgement is required to develop certain of these estimates. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies.

Cash is recorded at fair value and the Company's other financial instruments are recorded at amortized cost, which approximate fair value due to their short term nature.

The mining industry in general is intensely competitive and there is no assurance that a profitable market may exist for any substances discovered. Commodity prices have fluctuated significantly, particularly recently, the effect of which cannot be accurately be predicted.

The carrying value of long-lived assets with fixed or determinable lives is reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

14. OTHER MD&A REQUIREMENTS

Risks and uncertainties

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

The Company's main expenditures are in Canadian dollars and Mexican Pesos. The Company does not hedge its currency transactions, and is, therefore, subject to currency risk in valuation of the Mexican Peso.

By becoming a part of the North American Free Trade Agreement (NAFTA), Mexico has reduced the political and sovereign risk of Canadian companies operating in Mexico. The Company believes Mexico is one of the most attractive regulatory and business environments for a junior mining company.

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk, interest rate risk, environmental risk and political and other risks. The Board of Directors

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has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and causes the other party to incur a financial loss. The Company's credit risk consists primarily of cash and cash equivalents and short term investments. The credit risk is minimized by placing cash and cash equivalents and investing short term investments with major Canadian financial institutions. The Company's receivables consist of GST due from the Federal Government of Canada and IVA taxes receivables due from the Federal Government of Mexico. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not invest in asset-backed commercial papers.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has sufficient cash to meet its obligations and liquidity risk is therefore considered minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash and cash equivalents is limited because they are generally held to maturity. The Company's current policy is to invest excess cash to investment-grade short-term deposit certificates issued by its banking institutions. Interest rate risk is not significant to the Company as it has no cash equivalents at year end. As at June 30, 2016, with other variables unchanged, a 1% change in the variable interest rates would not have had a significant impact on the loss of the Company.

Environmental Risk

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

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Political and other risks

The Company's mineral properties located in Mexico expose the Company to different considerations and other risks not typically associated with companies in Canada. Such risks are associated with the political, economic and legal environments. The Company's results may be adversely affected by changes in the political and social conditions in Mexico and by changes in government policies with respect to laws and regulations.

Subsequent Events

Subsequent events not disclosed elsewhere in these financial statements are as follows:

Paul Bercier, Trent Blind and Larry Faulk have resigned as directors and Michael Withrow and Satvir Dhillon have been appointed as new directors.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's exploration and evaluation assets and expenditures is provided in the Company's consolidated statements of financial position and consolidated statements of loss and comprehensive loss, contained in its audited financial statements for the years ended June 30, 2016 and 2015, available on the SEDAR page site, accessed through www.sedar.com.

Outstanding share data

As at June 2, 2017

Authorized	Unlimited
Issued and outstanding	24,403,608
Options outstanding	-
Warrants outstanding	-
Fully diluted	24,403,608

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