

CLYDESDALE RESOURCES INC.

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2016

The following Management's Discussion and Analysis ("MD&A"), prepared as of November 25, 2016, should be read together with the condensed consolidated interim financial statements for the three and six month periods ended September 30, 2016 and related notes attached thereto. Readers are also encouraged to refer to the audited consolidated financial statements for the year ended March 31, 2016 and related notes attached thereto. The condensed consolidated interim financial statements and MD&A include the results of operations and cash flows for the three and six month periods ended September 30, 2016 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents and additional disclosures pertaining to the Company can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS").

MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Description of Business

Clydesdale Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia. The Company is a natural resource company engaged in the acquisition, exploration and development resource properties. The company is considered to be in the development stage and has not yet earned revenues. The Company's registered address is Suite 1008, 409 Granville Street, Vancouver, BC, V6C 1T2.

The Company's common shares trade on the TSX Venture Exchange – NEX Board. The trading symbol for the Company is now CEO.H.

The Company's Board of Directors is comprised of Robert Nordin (President & Chief Executive Officer), Eugene Sekora, (Chief Financial Officer) and Chris Cherry.

Performance Summary

Discussion of Operating Results – three month period ended September 30, 2016

The Company's expenses during the three month period ended September 30, 2016, were as follows: management fees of \$7,500 (2015 - \$7,500), office expenses of \$3,077 (2015 - \$8,183), professional fees of \$9,500 (2015 - \$11,250) and transfer agent and filing fees of \$1,873 (2015 - \$1,724). During the three month period ended September 30, 2016 the Company *wrote-off interest income in the amount of \$Nil (2015 – \$5,712), and marketable securities in the amount of \$Nil (2015 - \$893). The net loss for the three month period ended September 30, 2016 was \$21,950 compared to \$35,262 for the three month period ended September 30, 2015. The decrease in losses period over period was mainly due to decreases in office expenses and professional fees.

Discussion of Operating Results – six month period ended September 30, 2016

The Company's expenses during the six month period ended September 30, 2016, were as follows: management fees of \$15,000 (2015 - \$15,000), office expenses of \$6,269 (2015 - \$16,552), professional fees of \$19,000 (2015 - \$20,700) and transfer agent and filing fees of \$5,805 (2015 - \$6,084). During the six month period ended September 30, 2016 the Company *wrote-off interest income in the amount of \$Nil (2015 – \$5,712), and \$Nil (2015 - \$1,014) of marketable securities. The net loss for the six month period ended September 30, 2016 was \$46,074 compared to a net loss of \$65,062 for the six month period ended September 30, 2015. The decrease in losses period over period was mainly attributable to decreases in office expenses and professional fees combined with the previous year's write-off of interest and marketable securities.

CLYDESDALE RESOURCES INC.
Management Discussion and Analysis
September 30, 2016

Selected Annual Financial Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended March 31:

	2016 \$	2015 \$	2014 \$
Net loss and comprehensive loss for the year	(103,567)	(64,156)	(94,108)
Net loss per share, basic and diluted	(0.00)	(0.00)	(0.00)
Total assets	462,491	538,034	669,836

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	September 30, 2016 \$	June 30, 2016 \$	March 31, 2016 \$	December 31, 2015 \$
Revenue	—	—	—	—
Net loss	(21,950)	(24,124)	(13,157)	(25,348)
Net loss per share, basic and diluted	—	—	—	—

	September 30, 2015 \$	June 30, 2015 \$	March 31, 2015 \$	December 31, 2014 \$
Revenue	—	—	—	—
Net loss	(35,262)	(29,800)	(19,346)	(29,888)
Net loss per share, basic and diluted	—	—	—	—

Liquidity and Capital Resources

The Company has no operating revenues and finances its operations principally through the issuance of common shares. As at September 30, 2016, the Company had working capital of \$335,045 compared to working capital of \$381,119 at March 31, 2016. The decrease in working capital from March 31, 2016 to September 30, 2016 is due to the normal monthly expenses to maintain the Company's listing requirements in good standing.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, loans receivable, accounts payable, accrued liabilities and amounts due to related parties. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

Risks and Uncertainties

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Related Party Transactions

- (a) As at September 30, 2016, the amount of \$26,487 (2015 - \$21,958) was owed to the former President of the Company, which is non-interest bearing, unsecured, and due on demand.
- (b) As at September 30, 2016, the amount of \$60,875 (2015 - \$46,875) was owed to the Chief Financial Officer of the Company, which is non-interest bearing, unsecured, and due on demand.
- (c) During the six month period ended September 30, 2016, the Company incurred management fees of \$15,000 (2015 – \$15,000) to the former President of the Company.
- (d) During the six month period ended September 30, 2016, the Company incurred professional fees of \$15,000 (2015 – \$15,000) to the Chief Financial Officer of the Company.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September, 2016, and have not been applied in preparing these consolidated financial statements:

IFRS 9, *Financial Instruments* (New)
IAS 1, *Presentation of Financial Statements* (Amended)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

CLYDESDALE RESOURCES INC.
Management Discussion and Analysis
September 30, 2016

Additional Disclosure for Venture Issuers Without Significant Revenue

An analysis of material components of the Company's general and administrative expenses is disclosed in the notes to the condensed consolidated interim financial statements for the three and six month periods ended September 30, 2016 to which this MD&A relates.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the Company had the following securities outstanding:

Common Shares

34,283,475 common shares issued and outstanding.

Share Purchase Warrants

None.

Stock Options

None.

Subsequent Events

October 12, 2016 the Company reported that it had appointed Mr. Robert Nordin as the Chairman of the Board and that it had appointed Mr. Christopher Cherry as a new director.

On November 7, 2016 the Company reported that it had appointed Mr. Robert Nordin as the Company's new President and Chief Executive Officer. The Company also reported that Mr. Kevin Russell had resigned as the President, Chief Executive Officer and a director of the Company.