

Running Fox Resource Corp.

Management Discussion and Analysis

For the year ended November 30, 2015

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Running Fox Resource Corp. (the “Company”) has adopted the format prescribed by the Canadian Securities Regulators for the Company’s Management Discussion and Analysis (“MD&A”). The following MD&A has been prepared as of March 29, 2016 and should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2015 and the related notes.

Our fiscal year end is November 30. References to a fiscal year refer to the calendar year in which such fiscal year ends.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are expressed in Canadian dollars, which is the Company’s functional currency, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

By its nature, this MD&A may contain certain information of a forward looking nature. Such forward looking information involves substantial known and unknown risks and uncertainties. Most of these are beyond the control of the Company and may include: the impact of unpredictable swings in government policies and requirements, general economic conditions, industry conditions, currency fluctuations, environmental risks, volatility of commodity prices and imprecision of reserve data estimates.

Readers are cautioned that the assumptions used, while considered reasonable by the Company at the time, could subsequently prove to be incorrect to various degrees. As such, readers are cautioned not to place undue reliance on forward looking statements.

1.1 Description of Business

The Company was incorporated under the laws of Province of British Columbia on September 1, 1981. The Company is in the resource sector being an explorer of mineral properties with interests in Canada and the United States of America, and revenues from natural gas production.

The Company is focusing its efforts to develop its significant mineral projects and advancing these projects with rational targeted exploration and development.

1.2 Overall Performance

During the year ended November 30, 2015, the decline in the market prices for oil and gas had impacted the Company’s overall revenues and profitability, and the continued decline in the market prices for oil and gas within the industry will continue to impact the future profitability of the Company’s oil and gas property asset. During the first half of the year ended November 30, 2015, while the Company continued production from its oil and gas property, no new wells were proposed or drilled by the Company on this oil and gas property. In the second half of the year, due to the continued decline in the prices of oil and gas, coupled with mechanical issues, the wells were shut in and ceased production. The wells will remain shut-in until further decisions can be made.

For the year ended November 30, 2015, the Company reported a net and comprehensive loss of \$1,317,558, compared to a loss of \$360,626 for the year ended November 30, 2014. Net and comprehensive loss during the year ended November 30, 2015 was mainly attributable to an impairment of property and equipment. During the year ended November 30, 2015, the Company performed an impairment test to assess the recoverable value of its oil and gas property and other minor equipment, and recorded an impairment loss of \$1,045,414.

The Company’s working capital at November 30, 2015 was \$1,196,505 as compared to \$982,702 at November 30, 2014. The increase in working capital was due to an increase in cash and marketable

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securities as the Company received proceeds from the sale of the Brett Property. On December 3, 2013, the Company entered into a mineral property purchase agreement with Ximen Mining Corp. ("Ximen") whereby Ximen will receive a 100% interest in the Brett Property. Under the agreement, the Company will receive installments of cash consideration and common shares (see section 1.8).

No significant trends have caused large variations in the Company's business model of reviewing, optioning or acquiring mineral and suitable energy projects and developing those projects for eventual cash flow. The Company continues its reviews of further potential acquisitions.

1.3 Selected Annual Information

For the year ended November 30	2015	2014	2013
Total revenue	\$ 213,135	\$ 64,890	\$ 524,571
Net loss and comprehensive loss	(1,317,558)	(360,626)	(717,117)
Shares issued and outstanding	54,770,548	54,770,548	54,770,548
Income (loss) per share	(0.02)	(0.01)	(0.01)
Dividends paid	-	-	-
Total assets	1,912,489	3,380,802	3,566,919
Long-term debt and obligations	-	-	-

All financial information is prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars, which is the Company's functional currency, unless otherwise indicated.

1.4 Results of Operations

For the year ended November 30, 2015, the Company reported revenues of \$213,135 from the sale of oil and natural gas, compared to revenues of \$64,890 for the year ended November 30, 2014. Production expense and royalties were \$64,851 in the year ended November 30, 2015, compared to \$157,836 in the year ended November 30, 2014. During the year ended November 30, 2015, the decline in the market prices for oil and gas had impacted the Company's overall revenues and profitability, and the continued decline in the market prices for oil and gas within the industry will continue to impact the future profitability of the Company's oil and gas property asset. Future profitability of the oil and gas property is dependent on improved natural gas and condensate prices.

During the year ended November 30, 2015, the Company recorded operating expenses of \$1,273,982 as compared to \$540,011 for the year ended November 30, 2014. Higher operating expenses in 2015 were due to the fact that the Company recorded an impairment loss of \$1,045,414 for its oil and gas property and some minor equipment.

The Company recorded a net and comprehensive loss of \$1,317,558 for the year ended November 30, 2015 as compared to a loss of \$360,626 for the year ended November 30, 2014. The increase in net and comprehensive loss was mainly due to an impairment loss of \$1,045,414, and unrealized loss on the decline in the fair value of marketable securities of \$198,951 during the year ended November 30, 2015.

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1.5 Summary of Quarterly Results

	For the three months ended							
	2015				2014			
	30-Nov	31-Aug	31-May	28-Feb	30-Nov	31-Aug	31-May	28-Feb
Revenue	45,290	38,150	67,361	62,334	(166,427)	76,565	130,346	24,406
Net (loss) income	117,379	(138,111)	(1,202,434)	(94,392)	(635,311)	(303,363)	139,153	438,895
Net (loss) income per share	0.00	(0.00)	(0.02)	(0.00)	(0.01)	(0.01)	0.00	0.01
Total assets ('000s)	1,912	1,961	2,078	3,290	3,381	3,813	4,092	3,970
Total long-term liabilities ('000s)	-	-	-	-	-	-	-	-

All financial information is prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars, which is the Company's functional currency, unless otherwise indicated.

Three months ended November 30, 2015

Revenues during the three months ended November 30, 2015 were \$45,290. In comparison, revenues during the three months ended November 30, 2014 were negative \$166,427. During the three months ended November 30, 2014, the operator had made adjustments to reverse revenues allocated to the Company in the past periods totalling over \$230,000, which reduced the Company's revenue significantly during the three months ended November 30, 2014.

For the three months ended November 30, 2015, the Company reported a net and comprehensive income of \$117,379. A significant component of this income was composed of adjustments from the operator for the operating expenses allocated to the Company in the past periods, which reduced the Company's expenses by over \$100,000. In comparison, net and comprehensive loss for the three months ended November 30, 2014 was \$635,311. Higher net and comprehensive loss during the three months ended November 30, 2014 was mainly due to the adjustments from the Company's operator which resulted in an increase of operating expenses allocated to the Company in past periods.

1.6 Liquidity

Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's exploration programs and overall market conditions for smaller resource companies. The Company has expended its funds on resource properties that it believes have the potential to achieve sustained cash flow within a reasonable time frame.

The following table contains selected financial information of the Company's liquidity from continuing operations:

	2015				2014			
	30-Nov	31-Aug	31-May	28-Feb	30-Nov	31-Aug	31-May	28-Feb
Cash and cash equivalents	1,049,764	1,102,599	1,116,425	1,495,598	1,195,049	1,035,885	769,934	698,713
Working capital	1,196,505	1,076,247	1,211,100	1,350,337	982,702	1,307,563	1,600,767	1,464,931

At November 30, 2015, the Company had cash and cash equivalents of \$1,049,764 as compared to \$1,195,049 at November 30, 2014. The balance of cash and cash equivalents has decreased from the prior year as cash resources were used to maintain the Company's operations.

Cash outflow for the year ended November 30, 2015 was \$145,285, compared to a cash inflow of

\$757,426 during the year ended November 30, 2014. The Company's operations consumed \$168,017 of cash for the year ended November 30, 2015, compared to \$105,307 for the year ended November 30, 2014. The increase in the use of cash for operating activities was due to the fact that the Company repaid a greater amount of outstanding accounts payable and accrued liabilities compared to prior year.

Investing activities provided \$22,732 of cash in the year ended November 30, 2015, compared to \$862,733 in the year ended November 30, 2014. During the year ended November 30, 2014, the Company received \$300,000 in proceeds from the sale of its Brett Property and \$739,537 from the sale of marketable securities, which contributed significantly to the Company's cash inflow during that year. In the year ended November 30, 2015, while the Company received another instalment of \$300,000 in proceeds from the sale of its Brett Property and \$357,123 in proceeds from the sale of marketable securities, offset by the use of \$634,391 of cash for the purchase of marketable securities compared to the purchase of only \$169,798 in 2014.

The Company did not have any financing activities during the years ended November 30, 2015 and 2014.

Total assets at November 30, 2015 were \$1,912,489, which has decreased by \$1,468,313 from total assets of \$3,380,802 at November 30, 2014. The decrease in total assets was mainly due to decreases in exploration and evaluation assets, which were the result of the sale of the Brett Property, and property and equipment, which was a result of the impairment of the remaining carrying value of Pincher Creek of \$1,045,034 as the property experienced a mechanical breakdown resulting in the wells being shut-in with no certainty that it would be economically viable to repair the mechanical breakdown and continue production.

At November 30, 2015, the Company had total liabilities of \$88,409 comprised of outstanding accounts payable and accrued liabilities, compared with total liabilities of \$239,164 at November 30, 2014. The decrease in accounts payable and accrued liabilities is due to the timing difference between the payment of outstanding day-to-day obligations as they become due.

1.7 Segmented Information

The Company operates in the oil and gas exploration industry, with its assets and operations located in Canada.

1.8 Natural Resource Properties and Projects

While the Company owns mineral resource properties and projects, only its Alberta-based operations are generating revenues at this time. There was neither remediation nor mineral-based revenues during the year ended November 30, 2015.

The recoverability of amounts capitalized for resource properties is entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production.

Brett Gold Project

The Company maintains its interests in its BC gold claims, which are located in Southern British Columbia near the City of Vernon. The advanced project has had some 172 drill holes and over \$4,000,000 in total work expenditures over the years, as detailed in the independent geologists' report available for viewing at www.sedar.com.

On December 3, 2013, the Company signed an agreement with Ximen Mining Corp. ("Ximen") whereby Ximen will acquire a 100-per-cent interest in the Brett Gold Project. Under the agreement, the Company

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will receive the following consideration:

Cash consideration of \$1,000,000 to be paid as follows:

- \$50,000 on December 3, 2013 (received);
- \$50,000 on December 18, 2013 (received);
- \$200,000 on or before January 17, 2014 (received);
- \$300,000 on or before January 5, 2015 (received); and
- \$400,000 on or before December 3, 2015 (received on December 2, 2015).

Issuance of common shares as follows:

- 1,000,000 shares on or before December 23, 2013 (received);
- \$150,000 worth of common shares on or before January 5, 2015, with the number of shares to be based on a 60 day trading average ending January 4, 2015 but not be less than 300,000 common shares (received); and
- \$200,000 worth of common shares on or before December 3, 2015 with the number of shares to be based on a 60 day trading average ending December 2, 2015 but not be less than 400,000 common shares (received on December 2, 2015).

In order for Ximen to earn its interest in the Brett Property, it must adhere to the aforesaid payment schedule in its entirety, with no partial vesting. The project title is held by the Company until all payments are received. If any payments are missed, then the agreement is terminated and 100% ownership of the property would revert back to the Company. On December 2, 2015, the Company received \$300,000 and an additional 3,333,333 common shares of Ximen with a fair value of \$200,000 which completed the terms of the agreement and provided Ximen with 100% ownership of the Brett Property.

Alberta Oil and Gas Investment

	Net book value	
	November 30, 2015 \$	November 30, 2014 \$
Acquisition and exploration costs	3,699,495	3,699,495
Depletion	(1,302,020)	(1,277,653)
Impairment	(2,397,475)	(1,352,441)
Total oil and gas properties	–	1,069,401

The Company reduces the carrying value of its non-operated interest in this producing well by charging a depletion allowance in order to reflect a write down over productive life. During the year ended November 30, 2015, the Company recorded depletion expense of \$24,367 (2014 – \$42,789). No depletion was charged in the second half of the year ended November 30, 2015, as the remaining producing well was shut in, and the property has since been fully impaired. Impairment loss relating to the write down of the property during the year ended November 30 2015 was \$1,045,034 (2014 – \$272,000)

In December 2014, the operator of the property informed the Company of adjustments to net revenues and operating expenses dating back to fiscal 2009. Although the Company has recorded the impact of the operator adjustments in its financial statements for the year ended November 30, 2014, the Company is disputing those adjustments and are in currently in discussions with the operator to work out a solution. During the year ended November 30, 2015, the decline in the market prices for oil and gas had negatively impacted the Company's overall revenues and profitability. During the year, the Company was informed

by the operator that a mechanical issue had taken place. Coupled with the fact that the low oil and gas prices would likely render continued production unprofitable, the well had been shut in until further decisions can be made by the operator. It is uncertain when the well will resume operations, given the current low commodity price environment and uncertainties in the future forecasted prices.

The continued decline in the market prices for oil and gas within the industry will continue to impact the future profitability of the Company's oil and gas property asset. Future profitability of the oil and gas property is dependent on improved natural gas and condensate prices.

Other than as above, no significant trends, events or items affected the Company's financial condition, cash flows or results of operations for the year ended November 30, 2015.

1.9 Capital Resources

The Company's capital resources continue to be by potential financings (brokered and non-brokered private placements), by potential common share warrant certificate exercise, and potential debt financing if good fiscal terms are available.

Although it currently has sufficient capital to satisfy existing operating and administrative expenses in the short term, the Company will continue to depend primarily upon equity to finance its existing projects.

There were no financing activities in the year ended November 30, 2015.

The Company will continue to rely upon equity financing as its principal source of financing for its resource and exploration projects and for the cash consideration component of acquisitions.

There are no assurances that capital requirements will be met by this means of financing as inherent risks are attached therein including commodity prices, financial market conditions, and general economic factors.

1.10 Off-Balance Sheet Arrangements

There are no Off-Balance Sheet Arrangements for the year ended November 30, 2015.

1.10 Related Party Transactions

For the year ended November 30, 2015, the Company incurred \$120,000 (2014 – \$120,000) of management fees to the Chief Executive Officer of the Company.

All of the above compensation paid was equal to fair value or market rates and approved by audit committee.

There were no payments to directors or officers by virtue of their holding directorship or officer positions. No payments were made for serving on audit committee or for serving on special assignments.

1.11 Use of Estimates and Judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such 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 future periods if

the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting 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:

- (i) impairment of marketable securities;
- (ii) the useful lives and recoverability of property and equipment;
- (iii) the recoverability of exploration and evaluation assets;
- (iv) rehabilitation provisions; and
- (v) deferred income tax asset valuation allowances.

The Company's policy for property and equipment requires judgment in determining whether the present value of future expected economic benefits exceeds capitalized costs. The policy requires management to make certain estimates and assumptions about future economic benefits related to its oil and gas property. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of capitalized cost is unlikely, the capitalized costs are written off to the consolidated statement of operations.

1.12 Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended November 30, 2015, and have not been applied in preparing these consolidated financial statements.

- (i) IFRS 9, *Financial Instruments* (New)
- (ii) IFRS 10, *Consolidated Financial Statements* (Amended)
- (iii) IAS 1, *Presentation of Financial Statements* (Amended)
- (iv) IAS 16, *Property, Plant, and Equipment* (Amended)
- (v) IAS 27, *Separate 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 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.

1.13 Financial Instruments and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. Cash and cash equivalents are held with major Canadian financial institutions.

1.12 Outstanding Share Data

Common Shares

Authorized: unlimited common shares without par value

As at November 30, 2015 and the date of this MD&A, the Company had 54,770,548 common shares

outstanding, and had no share transactions during the year ended, and subsequent to, November 30, 2015.

Share Purchase Warrants

As at November 30, 2015 and the date of this MD&A, the Company had no outstanding share purchase warrants.

Stock Options

The Company's shareholders have approved a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. As the board of directors has not formally approved the plan, the Company has not enacted the stock option plan. As at November 30, 2015 and the date of this MD&A, the Company has not granted any stock options.

1.13 Disclosure Controls and Procedures and Internal Controls over Financial Reporting

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited financial statements for the year ended November 30, 2015 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

1.14 Termination of Employment, Change in Responsibilities and Employment or Management Contracts

The Company has no compensatory plans or arrangements in effect with its CEO, CFO, and each of the three most highly compensated executive officers other than the CEO and CFO with respect to the resignation, retirement or any other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Company, other than a management agreement with its President including, but not limited to the following terms: a monthly fee of ten thousand dollars, exclusive of GST/HST/PST, expiring in May 2018, a payout provision in the event of termination without cause by the Company, and a provision for severance of three weeks per year for each year of service to the Company.

1.15 Additional Corporate Governance Information

Board of Directors

The Board of Directors currently consists of three directors, a majority of whom are considered independent. Steven Schurman and Gord Zelko are considered independent. Michael Meyers, currently interim CEO and President, is considered not independent.

Board Constitution

The operations of the Company do not support a large board of directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Similarly, given the size of the Company, all the Company's operations are conducted by a small

management team which is also represented on the Board. Individual directors are encouraged to engage an outside advisor at the expense of the Company in appropriate circumstances.

Compensation of Directors

The directors receive no cash compensation for acting in their capacity as directors of the Company. The compensation for senior management of the Company is determined by and at the discretion of the Board and the compensation of the Chief Executive Officer is determined by the Board as a whole.

Directorships

No current directors of the Company are presently directors of other reporting issuers in Canada or elsewhere.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, and industry. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics which applies to the directors, officers and employees of the Company. The Board expects that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as provisions under corporate legislation for required disclosures by directors and senior officers to the Company of transactions with the Company in which they may have an interest and of any other conflicts of duties and interests, will also ensure that these persons conduct themselves in the best interests of the Company.

Nomination of Directors

Any director is free to nominate individuals for election or appointment to the Board; however, the Corporate Governance Committee has the principal responsibility with respect to selection and nomination of director nominees. The Committee is also responsible for developing qualification criteria for new Board members for recommendation to the Board in accordance with National Policy 58-201 – *Corporate Governance Guidelines*. The Committee also has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the authority to approve the search firm's fees and other retention terms.

In making its recommendations to the Board regarding director nominees, the Committee shall consider:

- (a) the appropriate size of the Board;
- (b) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (c) the competencies and skills that the Board considers each existing director to possess;
- (d) the competencies and skills each new nominee will bring to the Board, and
- (e) whether or not each new nominee can devote sufficient time and resources to the nominee's duties as a director of the Company.

Compensation

The Audit Committee reviews annually the adequacy and form of compensation of the directors and executive officers of the Company to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director or executive officer.

In evaluating (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers, the Audit Committee reviews and considers the Company's corporate goals and objectives relevant to compensation for its executive officers and evaluates the performance of each executive officer in light of those corporate goals and objectives. In considering the

compensation for executive officers other than the President, the Committee takes into account the recommendation of the President.

All compensation arrangements between the Company and any director or executive officer of the Company or between any subsidiary of the Company and any director or executive officer of the Company must be approved by the Committee.

There are no standard or other arrangements under which Directors of the Company were compensated by the Company during the most recently completed financial year for acting in their capacity as Directors.

Other Board Committees

The Board of Directors of the Company has no standing committees other than the Audit Committee.

Assessments

The effectiveness of the Board of Directors as a whole, any committee of the Board and individual directors is assessed on an ongoing basis by the Board and senior management.

Policy on Purchase of Financial Interests

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

Securities Authorized For Issuance Under Equity Compensation Plans

The Company's standard TSX-V "Rolling 10 %" Share Option Plan (the "Plan") is approved annually by shareholders at the annual general meetings of the Company. The Plan incorporates the TSXV policies that are effective and was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board.

The Plan provides that options will be issued to directors, officers, employees, or consultants of the Company or a subsidiary of the Company. The Plan also provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than 10 years after the date of grant of such options. There are currently no options outstanding.

1.16 Additional Audit Committee Information

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Company is required to have an audit committee.

Audit Committee Charter

Pursuant to NI 52-110, the Company's audit committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Schedule "B" to its 2012 Information Circular.

Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company's Audit Committee:

Names:

Steven Schurman, Chair of the Audit Committee;
Michael Meyers, Member of Audit Committee;

Gord Zelko, Member of Audit Committee.

Relevant Education and Experience: Yes as to all three.

Independent and Financial Literacy: Yes as to all three.

The following describes the relevant education and experience of the members of the Audit Committee:

Steven Schurman, Audit Committee Chair, CPG

Mr. Schurman has over 40 years of experience in public markets, and is a licensed Professional Geologist. He also contracts to Envirocon Remediation Services, where he is an Area Manager with oversight of several employees. He is knowledgeable in financial matters pertaining to the junior resource industry and understands the principles of estimates, accruals and reserves, as well as internal controls and financial reporting pertinent to the Company.

Michael Meyers, Audit Committee Member, BA, JD, is a corporate and securities lawyer who has been involved with and counsel to private and public resource issuers in Canada. He has been actively involved with the resource markets for many years. Mr. Meyers owns and/or has dealt with resource properties, assets, claims and grants in British Columbia and in the Yukon Territories. He also holds two diplomas from the British Columbia Institute of Technology. He is knowledgeable in financial matters pertaining to the junior resource industry and understands the principles of estimates, accruals and reserves, as well as internal controls and financial reporting pertinent to the Company.

Gord Zelko, Audit Committee Member, BCom, has more than 30 years of experience in the resource markets and has assisted numerous companies in achieving their objectives. He is knowledgeable in financial matters pertaining to the junior resource industry and understands the principles of estimates, accruals and reserves, as well as internal controls and financial reporting pertinent to the Company.

Reliance on Certain Exemptions

At no time since January 1, 2011 has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 by a securities regulatory authority or regulator.

Audit Committee Oversight

At no time since January 1, 2011 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

1.17 Other MD&A Requirements

Additional information relating to the Company is available online on SEDAR at www.sedar.com including the annual audited financial statements.