

MANAGEMENT DISCUSSION AND ANALYSIS

To the Shareholders of GFK Resources Inc. (the “Company”)

INTRODUCTION

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of GFK Resources Inc. (“GFK” or the “Company”) and compares its financial results for the interim period ended February 29, 2016 to the previous year. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2015. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

The Company's financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”). Further details are included in Note 2 of the financial statements for the interim period ended February 29, 2016. This MD&A is made as of April 28, 2016.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its property, to produce minerals from its property successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

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

OVERALL PERFORMANCE AND HIGHLIGHTS

Corporate

On January 20, 2016, the Company announces the appointment of **Mr. Tony Brisson, B. Sc., P.Ge. as a Director** of the Corporation. Mr. Brisson is a member of the Ordre des géologues du Québec (Professional Geologists Association) (O.G.Q.) and is a past Board member of the Quebec Mining Exploration Association. During his career, for more than 20 years, he has worked with several significant mining companies in Quebec, including Goldcorp Inc. (Eleonore Mine – Exploration Manager), Cogitore Resources Inc. (Vice-President of Exploration) and Cambior Inc. (Mining geology supervisor).

EXPLORATION ACTIVITIES FOR THE SIX MONTH PERIOD FEBRUARY 29, 2016

For the year ended August 31, 2015 and the six month period ended February 29, 2016, the Company incurred property acquisition costs, which are included in exploration and evaluation assets, as follows:

	Casa-Cameron						Total	Courville	Total
	Florence	Vezza North	Vezza Extension	Other	Total				
Balance, August 31, 2014	\$ 619,922	\$ 253,148	\$ 208,352	\$ 141,457	\$ 1,222,879	\$ 1	\$ 1,222,880		
Deferred exploration costs:									
Drilling	561	-	-	-	561	-	561		
Geophysical	-	42,865	-	133,184	176,049	-	176,049		
Geological	6,596	1,162	-	27,572	35,330	-	35,330		
General field expenses	-	-	-	3,600	3,600	-	3,600		
Claim management	1,124	2,689	249	7,328	11,391	-	11,391		
	8,281	46,716	249	171,684	226,931	-	226,931		
Acquisition costs									
Cash	18,652	13,164	11,376	6,808	50,000	-	50,000		
Shares	-	-	-	-	-	-	-		
Legal and other	1,465	1,034	894	535	3,928	-	3,928		
	20,117	14,198	12,270	7,342	53,928	-	53,928		
Total expenditures for the year	28,398	60,914	12,519	179,027	280,859	-	280,859		
Refundable tax credit and adjustments	14,932	(13,048)	1,230	(54,363)	(51,249)	-	(51,249)		
Write-off of exploration and evaluation assets	(663,253)	-	-	-	(663,253)	-	(663,253)		
Balance, August 31, 2015	\$ -	\$ 301,014	\$ 222,102	\$ 266,120	\$ 789,236	\$ 1	\$ 789,237		
Deferred exploration costs:									
Geophysical	-	1,373	2,622	64,078	68,073	-	68,073		
Geological	-	20,444	-	1,162	21,606	-	21,606		
Claim management	-	1,050	-	2,616	3,666	-	3,666		
	-	22,867	2,622	67,856	93,345	-	93,345		
Refundable tax credits	-	(7,365)	(885)	(22,025)	(30,275)	-	(30,275)		
Write-off of exploration and evaluation assets	-	-	-	(240,595)	(240,595)	-	(240,595)		
Balance, February 29, 2016	\$ -	\$ 316,516	\$ 223,839	\$ 71,356	\$ 611,711	\$ 1	\$ 611,712		

Casa-Cameron Agreement

Pursuant to an option agreement dated December 12, 2013 (the "Agreement"), and as amended on April 28, 2015, the Company acquired an exclusive option to earn up to a 100% interest in certain mineral claims in the Abitibi Greenstone Belt, Quebec, known as the Casa-Cameron project ("Casa-Cameron"), from a company with a director in common, Adventure Gold Incorporated ("Adventure Gold"). Casa Cameron is comprised of nine properties: Florence, Vezza North, Vezza Extension and six others.

Under the terms of the Agreement, GFK has the option (the "First Option") to acquire an initial 51% undivided interest in the Project on the following terms and conditions:

- following the receipt of the required regulatory approvals, paying \$250,000 (paid) and issuing 2,000,000 common shares (issued at a value of \$500,000); and upon amendment a further payment to Adventure Gold of \$50,000 (paid April 2015);
- funding not less than \$2,000,000 in exploration expenditures by no later than February 28, 2017 (\$690,000 paid in 2014, \$288,981 paid in 2015) (the "Phase 1 Expenditures");
- following the completion of the Phase 1 Expenditures, paying an additional amount of \$1,200,000 in cash or, at the election of GFK, in common shares of GFK, subject to a minimum cash payment of \$200,000; and
- funding, by no later than February 29, 2020, an additional amount of not less than \$3,000,000 in exploration expenditures (the "Phase 2 Expenditures");

Following the completion of the First Option, GFK shall have an additional option (the "Second Option") to acquire Adventure Gold's remaining 49% interest in the Project, thereby acquiring a 100% interest in the Project. The Second Option is conditional upon GFK:

- paying \$5,500,000 in cash or, at the election of GFK, in common shares, subject to a minimum cash payment of \$500,000 (the "Second Option Payment"); and
- granting Adventure Gold a 2% NSR on the Project, one half (1% NSR) of which can be bought back at any time by GFK, at its sole discretion, for an amount of \$1,000,000.

Adventure Gold will act as operator for the First Option and will receive an operator's fee equal to 10% of exploration expenditures funded by GFK.

Following a recent internal review of the Casa Cameron property group, management concluded that the value of five additional properties (Cere-113, Bell-Vezza, Bruneau-Sinclair, Casagasic and KLM) should be written off, resulting in an impairment charge of \$240,595 during the quarter. The Company had previously incurred an impairment charge of \$663,253 during the year ended August 31, 2015 relating to the Florence property. The Company is currently negotiating with Adventure Gold with respect to potentially significant amendments to the terms of the Agreement.

The Company has estimated that \$347,684 (August 31, 2015 - \$317,408) of refundable mining tax credits are receivable from the province of Quebec based on exploration expenditures incurred.

THE CASA-CAMERON PROJECT

The following scientific and technical information concerning the Property has been taken and summarized from and is based upon the technical report prepared by Rémi Charbonneau, Geologist, Ph.D, OGQ permit #290 and Isabelle Robillard, Geologist, M.Sc., OGQ permit #287 (the "Technical Report"), in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Charbonneau and Ms. Robillard are each a "Qualified Person" for the purposes of NI 43-101 and are each independent of GFK within the meaning of NI 43-101. As certain portions of the Technical Report are based on assumptions, qualifications, references and procedures,

reference is made to the full text of the Technical Report filed by GFK on SEDAR under its profile at www.sedar.com. Readers are strongly encouraged to review the Technical Report in its entirety.

PROJECT LOCATION AND DESCRIPTION

Area and Location

The Project is located in the Abitibi region of Quebec extending from the Casa-Berardi township north of La Sarre to the Le Sueur township northeast of Lebel-sur-Quévillon (Figure 1). The Project includes nine properties distributed along the 225 km strike of the Casa-Bérardi Cameron structural corridor which presents a high gold potential. The individual claims forming part of the Project are located as follows:

- Casagasic Property is located 90 km north of the municipality of La Sarre, 98 km west of Matagami and 17 km east of the Hecla Mining's Casa-Berardi Mine. The west portion of the property is crossed by a road leading to the old Selbaie Mine;
- KLM Property is located some 24 km north of the former town of Joutel and 55 km southwest of Matagami;
- Vezza North and Vezza Extension properties are located some 27 km south of Matagami and 152 km north of the town of Amos;
- Bell-Vezza Property is located 27 km southeast of Matagami, 110 km north of the town of Amos and 65 km northeast of Lebel-sur-Quévillon;
- Sinclair-Bruneau Property is located some 40 km northwest of Lebel-sur-Quévillon, Québec;
- Florence Property is located some 23 km north of Lebel-sur-Quévillon ;
- Céré-113 Property is located some 75 km northeast of Lebel-sur-Quévillon, 10 km southwest of the village of Desmaraisville and 10 km northeast of Miquelon;
- Bachelor Extension Property is located 90 km north of Lebel-sur-Quévillon and less than 15 km northeast of Desmaraisville.

(see Figure 1 below for a description of the claims forming part of each property)

The Project consists of 480 claims, with a total surface area of 25,600 ha or 256 km². The claims are not contiguous and form nine (9) properties, each one being represented by a single continuous claim block, except for the Vezza North property which includes two entities, referred to as the West claim blocks and the East claim blocks.

All the claims are in good standing and are free from any obligations or environmental liability, restoration or decommissioning works. According to Mining Act (Québec) (the "Mining Act"), renewal of claims takes place every two years, with cost depending on area. Claim holders are required to conduct statutory work during the validity period of the claim. Where a claim or lease shows excess spending amounts for required works, these amounts are put to the credit of the claims and are expected to cover several years in most cases. The Project's renewal fees represent \$25,907, the statutory work requirement is \$574,600 and the Project has excess work credits of \$257,875.

The properties comprising the Project are in good standing, and for 2016 exploration work must be completed totaling \$216,879 in exploration expenditures, subject to ongoing negotiations with Adventure Gold.

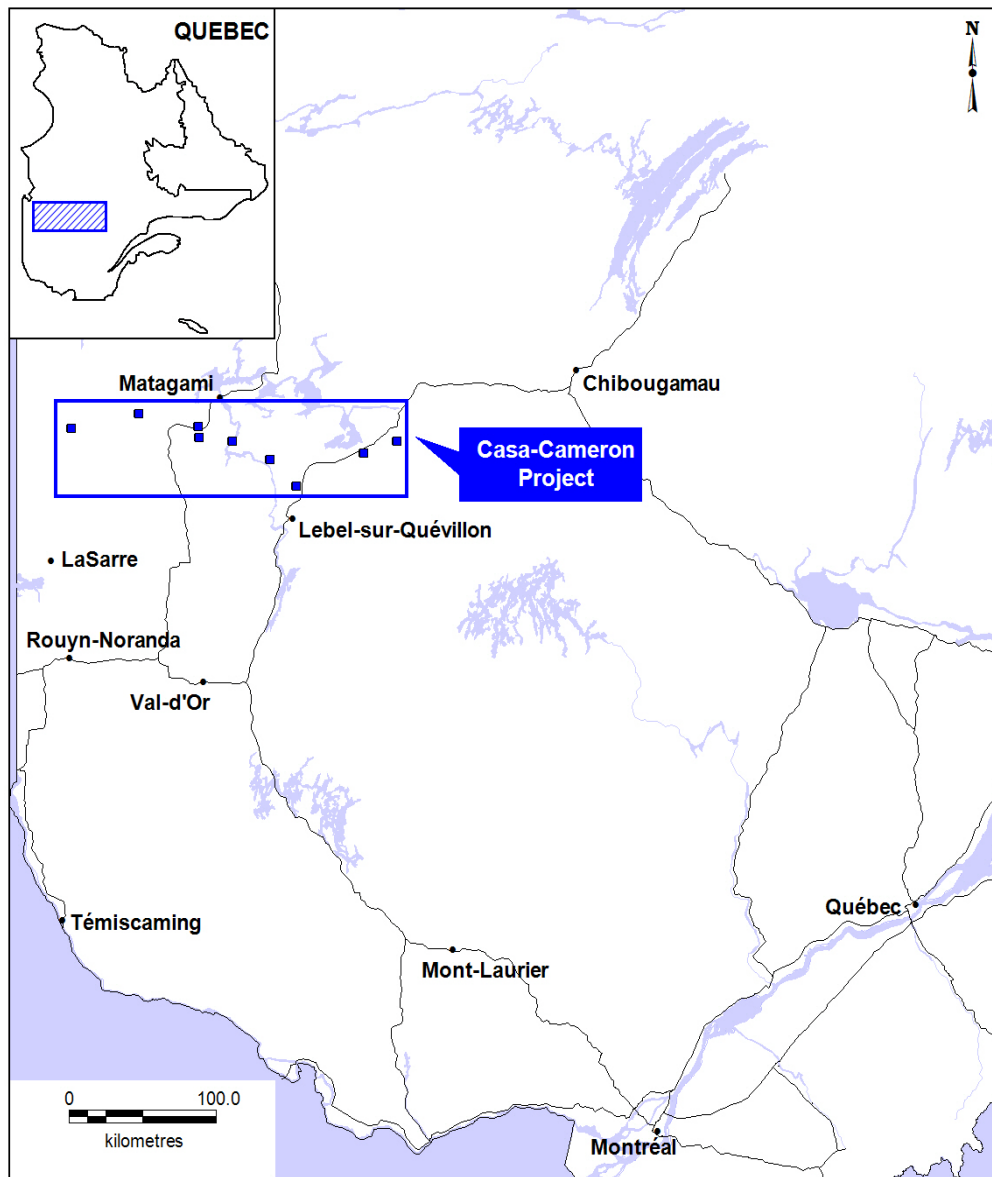


Figure 1 General Location of the Casa-Cameron Project

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural exploration and evaluation assets. Due to the nature of the Company's proposed business and the present stage of exploration of its exploration and evaluation assets, the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The Company's business is the acquisition and exploration of exploration and evaluation assets. The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover resource deposits but from finding resource deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of resources and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses: The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its exploration and evaluation assets.

Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of any significant exploration and development programs. The development of the Company's property will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its property. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such property. In addition, should the Company incur significant losses in future periods, it may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts significantly different from those reflected in its current financial statements. The Company estimates that it can continue operations, at a minimum, for the next twelve months. As of November 30, 2015 the Company had cash of \$393,165.

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies, particularly junior resource exploration companies such as the Company. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to the Company or at all.

In recent months and weeks, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of some companies, particularly those considered exploration stage companies, have experienced declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its exploration and evaluation asset; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability to obtain the operating resources to develop and maintain the property held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent months, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Uncertainty of Resource Estimates/Reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at its property, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's property may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven and probable reserves at its exploration and evaluation asset. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves at the Company's exploration and evaluation asset. The failure to establish proven and probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

Surface Rights and Access: Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right of law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Title: Although the Company has taken steps to verify the title to the exploration and evaluation asset in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee title. Title to exploration and evaluation assets may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

SELECTED FINANCIAL INFORMATION

Selected items only	February 29 2016 Six months	February 28, 2015 Six months	August 31, 2015 Annual	August 31, 2014 Annual
<i>Statement of Comprehensive Loss data:</i>				
Income				
Revenue	\$ -	\$ -	\$ -	\$ -
Expenses				
Consulting fees paid or accrued	60,338	42,000	87,000	85,197
Insurance	6,215	6,199	12,500	12,651
Investor relations	-	37,800	54,000	58,551
Professional fees (legal, audit)	21,680	25,992	47,768	39,555
Share-based payments	-	42,302	66,849	65,590
Transfer agent and filing fees	8,372	10,132	26,799	38,935
Other items				
Interest income	-	4,089	4,288	11,209
Write-off of exploration and evaluation assets	(240,595)	-	(663,253)	(156,060)
Loss and comprehensive loss for the period	\$(351,605)	\$(169,542)	\$(981,355)	\$(466,830)
Loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.01)

	February 29, 2016	August 31, 2015	August 31, 2014
<i>Statement of Financial Position data:</i>			
Assets			
Cash and equivalents	\$ 351,906	\$ 393,165	\$ 882,537
Receivables	383,201	395,923	389,852
Prepaid expenses	12,751	3,717	7,184
Exploration and evaluation assets	611,712	789,237	1,222,880
Liabilities / Equity			
Accounts payable and accrued liabilities	194,361	72,703	78,608
Shareholders' equity	1,157,734	1,509,339	2,423,845
Average shares outstanding	37,509,373	37,509,373	35,401,058

Six months ended February 29, 2016 compared to the period ended February 28, 2015

During the six month period ended February 29, 2016, the Company had net loss of \$ 351,605 as compared to a net loss of \$169,542 for the same period in the prior fiscal year.

Consulting fees increased due to the engagement of Mr. Tony Brisson (see operational highlights) as a geological consultant during the current period, as well as a slightly higher monthly fee for the Company's CEO. Mr. Brisson is conducting a review of the Company's property agreements as well as investigating additional opportunities. The Company had terminated its arrangement for investor relations services effective May 31, 2015, incurring costs of \$Nil (2015 - \$37,800) for the period. Also, we recorded \$Nil share based payments as opposed to \$42,302 in the comparable 2015 period, simply as a result of the timing and nature of stock option grants. All other administrative expense categories remained comparable.

Following the internal review of the Casa Cameron property group, management concluded that the value of five additional properties (Cere-113, Bell-Vezza, Bruneau-Sinclair, Casagosc and KLM) should be written off, resulting in an impairment charge of \$240,595 during the quarter. The Company had previously incurred an impairment charge of \$663,253 during the year ended August 31, 2015 relating to the Florence property. The Company is currently negotiating with Adventure Gold with respect to potentially significant amendments to the terms of the Agreement.

Three months ended February 29, 2016 compared to the three months ended February 28, 2015

During the three month period ended February 29, 2016, the Company had net loss of \$306,470 as compared to a net loss of \$81,974 for the period ended February 28, 2015.

Consulting fees increased due to the engagement of Mr. Tony Brisson (see operational highlights) as a geological consultant during the current quarter, as well as a slightly higher monthly fee for the Company's CEO. Mr. Brisson is conducting a review of the Company's property agreements as well as investigating additional opportunities. The Company had terminated its arrangement for investor relations services effective May 31, 2015, incurring costs of \$Nil (2015 - \$18,000) for the period. Also, we recorded \$Nil share based payments as opposed to \$8,550 in the comparable 2015 period, simply as a result of the timing and nature of stock option grants. All other administrative expense categories remained comparable.

Following a recent internal review of the Casa Cameron property group, management concluded that the value of five additional properties (Cere-113, Bell-Vezza, Bruneau-Sinclair, Casagosc and KLM) should be written off, resulting in an impairment charge of \$240,595 during the quarter. The Company had previously incurred an impairment charge of \$663,253 during the year ended August 31, 2015 relating to the Florence property. The Company is currently negotiating with Adventure Gold with respect to potentially significant amendments to the terms of the Agreement.

QUARTERLY FINANCIAL INFORMATION

The table below sets out the quarterly results for the past eight quarters:

	February 2016	November 2015	August 2015	May 2015
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	65,875	45,134	78,220	70,540
Loss for the period	(306,470)	(45,134)	(741,277)	(70,537)
Loss per share	(0.1)	(0.00)	(0.02)	(0.00)

	February 2015	November 2014	August 2014	May 2014
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	83,503	90,128	84,790	102,173
Loss for the period	(81,974)	(87,567)	(238,227)	(98,926)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation and acquisition program and the timing and results of the Company's exploration activities on its current property, none of which are possible to predict with any accuracy. The variation in net loss can also be significantly affected by the timing of stock option grants and the resultant share-based payment charges, and impairment charges relating to exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

The Company depended upon the junior capital markets to raise equity financing needed to fund its working capital requirements. The Company has no revenue generating operations from which it can internally generate funds. It relies on either the sale of its own shares as needed, or the sale or option of its exploration and evaluation assets. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects.

When optioning properties the Company will sometimes issue its own stock to the vendor of the property as partial or full consideration for the property in order to conserve its cash.

The Company had a working capital of \$546,022 which includes amounts owing to related parties of \$7,475 (August 31, 2015 - \$Nil). The Company estimates that additional funding will be required to continue operations over the next 12 months based upon the requirements of the revised Casa-Cameron option agreements and other possible opportunities.

OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Management compensation

The Company defines key management as its directors and officers. Key management personnel compensation comprised:

For the six months ended February 29	2016	2014
Consulting fees paid to directors	\$ 60,337	\$ 42,000
Share-based payments to directors	-	34,732
As at period end:		
Due to related parties	7,475	4,590

Amounts due to related parties at November 30, 2015 are owed to directors and officers and/or to companies controlled by them, are non-interest bearing, unsecured, with no specific terms of repayment.

The Company acquired an exploration and evaluation asset from a company with a director in common.

PROPOSED TRANSACTIONS

Although the Company is always open to investigating additional property acquisitions that might arise from time to time, as at the date of this MD&A we are focused on the exploration requirements of our option agreement with Adventure Gold. The Company does not have any proposed transactions as of the date of the MD&A.

OUTLOOK FOR THE NEXT QUARTER

During the next quarter, the Company anticipates to complete the following exploration work:

- Prepare an exploration program for Vezza Extension
- Revision of the plan for Courville and evaluation of future plans for the property
- Continued evaluation of projects for potential acquisition

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Accounts specifically requiring the use of management's best estimates and assumptions in determining the stated amounts related to deferred income taxes and the evaluation of fair value of exploration and evaluation assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

IFRS ACCOUNTING POLICIES

The significant accounting policies for the period are consistent with those disclosed in the audited annual financial statements for the year-ended August 31, 2015.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at February 29, 2016 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of February 29, 2016 the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in our internal control over financial reporting or any other factors during the quarter ended February 29, 2016, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy. In regards to the receivables, the Company is not exposed to significant credit risk as they are from governmental agencies.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company normally maintains sufficient cash to meet the Company's business requirements.

Liabilities at February 29, 2016, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 37,734	\$ 5,250	\$ 151,377	\$ -	\$ 194,361

Liabilities at August 31, 2015, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 49,078	\$ 23,625	\$ -	\$ -	\$ 72,703

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because

of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

The Company has cash balances which earn interest subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade demand deposit certificates issued by its banking institutions. Management believes that interest rate risk is remote. A 1% change in the interest rate would have no significant impact on interest income reported at February 29, 2016.

ii. Foreign currency risk

The Company is not exposed to foreign currency risk as all monetary assets and liabilities are denominated in Canadian currency.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

SHARE DATA

As of the date of this report the number of common shares outstanding was 37,509,373.

Share purchase options outstanding as of the date of this report are as follows:

	Number of Options	Exercise Price	Weighted Average Expiry Contractual Date Remaining	
Granted February 22, 2008	910,000	\$ 0.15	February 22, 2018	1.98 years
Granted January 20, 2012	200,000	\$ 0.27	January 20, 2017	.89 years
Granted February 14, 2014	475,000	\$ 0.30	February 14, 2019	2.96 years
Granted November 28, 2014	200,000	\$ 0.22	November 28, 2019	3.75 years
Balance, February 29, 2016	1,785,000			2.32 years

There were no warrants outstanding as at the date of this report.