

KINGSMEN RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2016

This discussion and analysis of financial position and results of operation is prepared as at May 20, 2016 and should be read in conjunction with the with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2016 of Kingsmen Resources Ltd. (the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

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 properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company does not anticipate incurring significant exploration activities on its existing La Trini Project in Mexico until there is a significant recovery in the junior precious metals market. The La Trini Project is on a care and maintenance status and minimal costs are being incurred as necessary to retain ownership. The Company continues to conduct reviews and due diligence on prospective property acquisitions.

The Company was incorporated on January 11, 2000 under the provisions of the Company Act (British Columbia). On July 6, 2015 the Company changed its name from Tumi Resources Limited to Kingsmen Resources Ltd. The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "KNG". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

Corporate Update

During fiscal 2014 the Company reviewed the merits of the La Trini Project. Although exploration conducted to date was positive the Company determined that, in light of current weak market conditions, it was prudent to write-down the carrying value of the La Trini Project to a nominal amount of \$1.

The Company continues to seek out other opportunities with a focus in the Americas.

Share Consolidation

On January 12, 2016 the Company completed a consolidation of its share capital on a one new for two old basis. The share and per share amounts have been adjusted within this MD&A to reflect the share consolidation.

Exploration Project

La Trini, Mexico

The La Trini mineral claims are located in the Hostotipaquillo mining district. The La Trini claims cover 880 acres, and the mineralization occurs over an area of 400m x 200m. Potential exists to extend the mineralized zone. Three separate drill programs have been undertaken on the project. Current resources, based on a NI43-101 compliant resource, are Indicated 1,661,359 t at 121.3 g/t Ag, 0.88 g/t Au, Inferred 192,880 t at 98.6 g/t Ag, 0.92 g/t Au, using a 30 g/t Ag cutoff. Presently the Company has no exploration work being conducted on the La Trini Project and has minimized its presence in Mexico. The Company maintains the La Trini claims in good standing and is reviewing options to advance the development of the La Trini claims, which may include a farm-out or outright sale.

The Qualified Person for the Company's projects is Mr. David Henstridge, a director of the Company, a fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2016	Fiscal 2015				Fiscal 2014		
	Mar. 31 2016 \$	Dec. 31 2015 \$	Sep. 30 2015 \$	Jun. 30 2015 \$	Mar. 31 2015 \$	Dec. 31 2014 \$	Sep. 30 2014 \$	Jun. 30 2014 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(67,539)	(45,116)	(58,858)	(78,560)	(53,839)	(49,457)	(62,223)	(83,422)
Other items	(1,433)	(348)	4,170	611	2,721	(2,083,595)	(66,978)	227
Net loss	(68,972)	(45,464)	(54,688)	(77,949)	(51,118)	(2,133,052)	(129,201)	(86,795)
Other comprehensive income (loss)	Nil	Nil	Nil	Nil	7,950	(4,150)	(3,800)	(23,900)
Comprehensive loss	(68,972)	(45,464)	(54,688)	(77,949)	(43,168)	(2,137,202)	(133,001)	(110,695)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.24)	(0.02)	(0.02)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Statement of Financial Position:								
Working capital	488,072	557,044	602,508	657,196	735,145	769,210	824,011	821,661
Total assets		578,246	621,593	672,740	765,866	793,425	2,932,103	3,070,934
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2016 Compared to Three Months Ended December 31, 2015

During the three months ended March 31, 2016 ("Q1/2016") the Company reported a net loss of \$68,972 compared to a net loss of \$45,464 for the three months ended December 31, 2015 ("Q4/2015"), an increase in loss of \$23,508. The increase in loss in Q1/2016 is primarily attributed to:

- (i) \$11,985 audit fees incurred in Q1/2016 due to audit services rendered for the Company's year-end financial statements. No audit services were incurred in Q4/2015;
- (ii) incurred \$4,069 for concession taxes and maintenance costs on the La Trini Project during Q1/2016. The costs were recorded as general exploration expenses. No general exploration expenses were incurred during Q4/2015; and
- (iii) incurred \$6,834 for regulatory and transfer agent fees during Q1/2016, an increase of \$5,531 from \$1,303 during Q4/2015, for additional services provided and filing fees incurred relating to the Company's share consolidation conducted on January 12, 2016.

Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015

Operating Activities

During the three months ended March 31, 2016 (the “2016 period”) the Company incurred a loss of \$68,972 (\$0.01 per share), an increase in loss of \$17,854 compared to a loss of \$51,118 (\$0.00 per share) for the three months ended March 31, 2015 (the “2015 period”).

General and administrative expenses increased by \$13,700, from \$53,839 in the 2015 period to \$67,539 in the 2016 period. Specific general and administrative expenses of note during the 2016 period are as follows:

- (i) during the 2016 period the Company paid Mr. Emerson \$24,000 (2015 - \$24,000) in his capacity as President;
- (ii) \$5,100 (2015 - \$6,100) for accounting and administrative services provided by Chase Management Ltd. (“Chase”) a private corporation owned by Mr. DeMare the CFO of the Company and \$1,136 (2015 - \$3,373) for services provided by an arms-length accountant for the Company’s Mexican operations;
- (iii) audit fees of \$11,985 were billed to the Company during the 2016 period compared to \$nil during the 2015 period. The variance is due to the timing of the interim billings rendered by the Company’s auditors for the Company’s year-end financial statements;
- (iv) \$6,000 (2015 - \$6,101) professional fees comprise primarily of payments to directors and officers of the Company. Specifics of officer and director compensation amounts have been disclosed in “Related Party Disclosure”;
- (v) during the 2016 period the Company incurred \$4,069 (2015 - \$4,337) for concession taxes and maintenance costs on the La Trini Project. These activities were recorded as general exploration expenses; and
- (iv) incurred \$6,834 for regulatory and transfer agent transfer agent fees during the 2016 period compared to \$2,182 incurred during the 2015 period. The \$4,652 increase was due to additional services provided and filing fees incurred relating to the Company’s share consolidation conducted on January 12, 2016.

During the 2016 period the Company reported interest income of \$1,169 (2015 - \$2,200) generated from cash held on deposit in an interest-bearing chequing account.

During the 2015 period the Company sold its remaining holdings of 15,000 Tasman Metals Ltd. (“Tasman”) common shares for net proceeds of \$13,171 and realized a loss of \$2,279. The Company also recorded an “Other Comprehensive Income” (“OCI”) amount of \$7,950 for the reversal of previous OCI losses recognized pertaining to the sold Tasman common shares. The Company did not hold any investments during the 2015 period.

During the 2015 period the Company determined that the estimated salvage values of the remaining office and equipment were nominal and recorded a write-off of \$1,603.

No equity financings were conducted by the Company during the 2016 or 2015 periods.

Financial Condition / Capital Resources

As at March 31, 2016 the Company had cash of \$503,058 and working capital in the amount of \$488,072. Management considers that the Company has adequate resources to maintain its current levels of overhead and ongoing corporate expenses, conduct due diligence on potential mineral property acquisitions and perform care and maintenance costs on the La Trini claims for the next twelve months. The Company is actively seeking other mineral property opportunities. The Company recognizes that it may be required to obtain additional financing for continuing exploration activities. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

Contractual Commitments

The Company has no contractual commitments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets and reclamation and rehabilitation provisions. Actual results may differ from those estimates. See also Note 3 of the audited consolidated financial statements for the years ended December 31, 2015 and 2014.

Changes in Accounting Principles

There are no changes in accounting policies.

Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Key Management Personnel Disclosures*

During the three months ended March 31, 2016 and 2015 the following amounts were incurred with respect to Mr. Emerson, the Chief Executive Officer (“CEO”) and Mr. Nick DeMare, the Chief Financial Officer (“CFO”) of the Company:

	2016 \$	2015 \$
Management fees - Mr. Emerson	24,000	24,000
Professional fees - Mr. DeMare	1,500	1,500
	<u>25,500</u>	<u>25,500</u>

(b) *Other Related Parties Disclosures*

(i) During the three months ended March 31, 2016 and 2015 the following amounts were incurred with respect to non-management directors of the Company, Messrs. David Henstridge, Harvey Lim and Rod Johnston:

	2016 \$	2015 \$
Professional fees - Mr. Henstridge	1,500	1,500
Professional fees - Mr. Lim	1,500	1,500
Professional fees - Mr. Johnston	1,500	1,500
	<u>4,500</u>	<u>4,500</u>

As at March 31, 2016, \$2,500 (2015 - \$8,500) remained unpaid.

(ii) During the three months ended March 31, 2016 the Company incurred a total of \$5,100 (2015 - \$6,100) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at March 31, 2016, \$3,900 (2015- \$5,700) remained unpaid.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Mexico and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at May 20, 2016, there were 8,894,376 outstanding common shares.