FORM 51-102F1
Management Discussion and Analysis

ExGen Resources Inc.
For the period ended June 30, 2016

Date: August 26, 2016

The following Management's Discussion and Analysis ("MD&A") is provided by the management of ExGen Resources Inc. ("ExGen" or the "Company") for the period ended June 30, 2016 and is based on information available to August 26, 2016. This discussion and analysis focuses on the operating and financial results and should be read in conjunction with the Company's audited consolidated financial statements including notes for the year ended December 31, 2015 and 2014. (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com or the Company's website at www.exgresources.com.

Overall Performance

ExGen is a Canadian junior resource company listed on the TSX Venture Exchange focused on building a diverse portfolio of joint venture and royalty interests across various exploration stages and commodity groups. ExGen currently has three projects in each of Canada and the United States. The Company's business model encompasses those aspects of the mineral industry that range from exploration to the acquisition of minority interests and/or royalty streams on mineral projects. The Company plans to acquire and advance these projects through exploration with the objective to optioning these exploration projects to third parties, while keeping a retained and/or participating interest. This business model significantly reduces the technical and financial risk for the Company by attracting partner companies to fund the exploration and development of our projects. Through this joint venture business model, the Company is able to expose its shareholders to discovery and capital gain while minimizing share dilution. ExGen will continue to opportunistically seek out royalty and minority interests in other mineral projects in safe mining jurisdictions. ExGen is also actively evaluating additional merger and acquisition opportunities within the junior exploration and mining sector.

The previous option agreement on the DOK copper-molybdenum-gold-silver project in northern British Columbia in 2014 represented the first transaction towards implementing the new corporate strategy.

The option agreement on the Empire Mine copper-gold-silver-zinc project in Custer County, Idaho entered on July 15, 2015 was the Company's second transaction executing the new corporate strategy.

ExGen has determined that this strategy is the most effective way to realize shareholder value from our significant portfolio of copper projects across Canada and the USA.

Qualified Person:
Phil van Angeren, P. Geo., is the Company's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed and verified the technical information disclosed in this MD&A based on his experience with the Company's properties. All technical information provided in the MD&A has been previously disclosed by way of news releases made by ExGen.

Exploration Activities and Results*:*

Empire Mine project:
On July 15, 2015, ExGen, together with its wholly-owned subsidiary, Konnex Resources Inc., signed an option agreement with Phoenix Global Mining Limited ("Phoenix"), a private British Virgin Islands based mining company focused on base metals development, for Phoenix to secure an Option to acquire 80% of the issued shares of Konnex, which holds the leases to the Empire Mine Project, on the following terms and conditions:

- ExGen to be paid a cash payment of $50,000 USD on signing the Option (received)
- ExGen to be issued 5,000,000 common shares of Phoenix on signing the Option (received). These shares were valued at $0.06 per share for an initial fair value of $300,000.
- ExGen to be paid a cash payment of $50,000 USD within 60 days of signing the Option (received).
- Phoenix to fund a minimum of $1,000,000 USD of expenditures on Empire Mine Project within 12 months of signing the Option.
- ExGen to be paid $100,000 USD on each anniversary date of the Option signing until the completion of a Bankable Feasibility Study. ExGen may elect to receive these payments in cash or in shares of Phoenix.

- ExGen to be issued 5,000,000 common shares of Phoenix on the exercise of the Option by Phoenix.
- Phoenix to fund all Empire Mine Project property maintenance and sustaining costs of Konnex.
- ExGen to retain a 20% carried interest until commencement of mine construction.
- ExGen to be granted a 2.5% net smelter returns royalty for all metals on the Empire Mine Project (the "NSR").

The Empire Mine is reported to have produced 694,000 tons grading 3.64% copper, 1.65 g/t gold and 53.9 g/t silver from underground workings during the period 1901 to 1942. The main area of mineralization on the Empire Mine Property is exposed on surface in the AP Pit area. In 1996-1997, Cambior Exploration USA Inc. reported a "drill-indicated", near surface, oxide copper estimate of 18.23 million tons grading 0.49% copper, 0.19% zinc, 13.5 g/t silver (0.44 oz/t) and 0.51g/t gold (0.015 oz/t) with an additional 9.65 million tons of material grading 0.29% copper and 0.31% zinc with no precious metals. **ExGen wishes to inform the reader that a Qualified Person has not done sufficient work to classify the historical estimate as a current resource estimate. ExGen is not treating the historical estimate as a current resource estimate.**

Cambior used the following parameters to prepare the historical estimate: a 0.15% copper cut-off, a geologically representative search distance of 180 feet, contiguous 5 foot core samples on 20x20x20 foot blocks, an inverse distance algorithmic model, metal prices of $1.00/lb for copper, $350.00/ounce for gold, $4.86/ounce for silver and $0.65/lb for zinc, metal recoveries of 80% for copper, 70% for gold, 60% for silver and 60% for zinc, and a estimated strip ratio of 1.8 tons of waste per ton of mineralization. Most of Cambior's drill fences range from 100 to 330 m apart with core holes on 60m centers. A total of 188 of the then existing 198 holes on the property were used in the estimate.

DOK Project:
The DOK Property consists of approximately 18,500 acres and the historical and current exploration results demonstrates that the DOK property exhibits many similarities with other large alkalic porphyry copper-gold deposits in northern British Columbia. The property is located approximately 40 kilometres north of the Galore Creek and the Shaft Creek porphyry copper deposits and south of the active exploration currently underway north of the Stikine River.

The 2014 drilling program consisted of two drill holes totaling 834.9m. These holes tested a 400m strike length of a geophysical signature that measures approximately 1.2 kilometers long by 800m wide that is open in both directions. The drill holes intersected visible copper mineralization in both holes hosted in potassic and phyllic altered zones of andesite, quartz monzonite rocks and hydrothermal breccia. Hydrothermal biotite and gypsum veining as well as disseminated and fracture controlled pyrite and magnetite occur in variable concentration throughout the core. Significant molybdenite mineralization was intersected in the lower portion of DDH DOK-01-2014 in a hydrothermal breccia.

The significant pyrite and magnetite concentrations in the drill holes combined with the analytical results, alteration, mineralogy and lithology suggest that the drilling intersected the outer edge of a porphyry copper-gold system. The weighted average grade of the mineralized intervals in the two diamond drill holes are as follows:

DDH ID	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Molybdenum (%)	CuEq (%)
DOK-01-2014	6.1	410.0	403.9	0.04	0.03	0.40	0.001	0.07
including	129.5	312.4	182.9	0.07	0.04	0.60	trace	0.11
including	275.8	294.1	18.3	0.33	0.13	1.90	0.001	0.46
including	385.6	410.0	24.4	0.03	0.05	0.98	0.012	0.14
DOK-02-2014	33.5	384.1	350.6	0.05	0.04	0.50	trace	0.08
including	33.5	88.4	54.9	0.11	0.06	1.64	trace	0.18
including	125.0	185.9	60.9	0.07	0.05	0.46	trace	0.12
including	289.6	304.8	15.2	0.03	0.09	0.62	trace	0.11

The above core interval do not represent true width of the mineralization. Cu Eq calculations assumes 100% metal recoveries and metal prices of $US2.75/lb copper, $US1445/oz. gold, $US27.74/oz. silver and $US14.64/lb molybdenum. Metal prices are based on market conditions at the time that the drill results were completed in 2014.

On April 14, 2014 Continental signed a Sub-Option Agreement with ExGen to earn up to a 75% interest in the DOK property. Under the terms of the Sub-Option Agreement, Continental has the option to earn a 60% interest within four years by incurring total expenditures of $2,000,000 on or before April 30, 2018 and by making total cash payments of $200,000.

In July 2016, Continental has elected to withdraw from its option. As a result, the Company regained control of the DOK project from Continental.

Gordon Lake
During 2014, the Company re-negotiated the terms and conditions of its agreement with Katalyst Data Management (formerly Kelman Technologies Inc.) on the Gordon Lake gold project located approximately 110 kilometers northeast of Yellowknife, NWT. Katalyst executed an Assignment Agreement whereby it assigned its 10% working interest in the Gordon Lake project Mining Lease (ML) #3123 and 100% working interest in ML #3088 and ML#3116, to ExGen. The Assignment Agreement eliminated Katalyst's 10% working interest and a 4% sliding royalty on the Gordon Lake project. ExGen now owns 100% of Gordon Lake with no third party underlying royalties. No exploration was completed on this project the period ended June 30, 2016.

East Breccia Property*:*
The East Breccia project covers approximately 11,300 acres in the Batchawana Greenstone Belt located approximately 60 kilometres north of Sault Ste Marie, Ontario and hosts several former small high grade (greater than 1 percent copper) mines. The mineralization exhibits coincident positive magnetic and conductivity signatures due to the presence of sulphide mineralization and magnetite. Ten mineralized breccia (copper-silver +/- molybdenum with significant concentrations of rhenium) of varying dimensions have been located along with a number of strong positive magnetic signatures which have not been explored.

The exploration completed during Q4 2013 located two previously unknown breccias with significant copper-silver mineralization approximately 2 kms east of the Mountain Breccia. These breccias exhibit a positive magnetic signature and conductivity that range from 100 to 200m wide and up to 500m long.

Analytical results of the five samples collected from the two breccias are shown in the table below:

Sample ID	Sample Type	Copper (ppm)	Silver (g/t)
EB-1	Select	1,520	1.02
EB-2	Select	1,760	1.44
EB-3	Select	4,500	5.18
EB-4	Select	16,700	30.30
EB-5	Select	658	2.65

ppm = part per million, 10,000 ppm equals 1%

Sample EB-4 contains 0.006% molybdenum and 0.205g/t rhenium that suggest similarity to the mineralization in the East Breccia zone located approximately 4 kms northeast. The limits of the copper-silver mineralization in both breccias have not been defined.

No exploration was completed on this project the period ended June 30, 2016.

Boss Property:
During Q4 2013, Boxxer completed an independent National Instrument 43-101 Technical Report on the Boss project. The Technical report has been filed on SEDAR and can be read by accessing www.sedar.com.

The Technical Report identified an 8km by 6km area the majority of which occurs within the Boss project that hosts all the copper-gold mineralization, six areas of skarn development, alteration and intrusive activity which supports the porphyry copper-gold exploration model.

No exploration was completed on this project the period ended June 30, 2016.

Buena Vista Property:
During Q4 2012, Boxxer completed a surface mapping and sampling program *to* evaluate the sources of the Titan-24 chargeability signatures identified on the north and south ends of *the* property in 2011. These areas of chargeability (anomalies) are interpreted to represent buried copper mineralization. The field work suggests a strong correlation between the chargeability anomalies and copper mineralization exposed in outcrop. The most significant result of the 2012 field program is that in addition to the previously identified iron carbonate alteration, copper mineralization also occurs over large areas (up to 20m by 20m) in outcrop in what is described as hydrothermally altered (sericite-hematite) volcanic rocks. In addition, the copper mineralization is more widespread than indicated by previous work. The areas sampled in 2012 are located outside the zone of strong carbonate alteration and has a strong barium-arsenic geochemical signature. A limited number of samples were collected from the mineralized outcrops to determine copper and other metal concentrations (see table below).

Sample ID	Sample Type	Interval (m)	Copper (%)	Silver (g/t)	Gold (g/t)
BV-01-2013	Chip/Channel	1.0	2.01	22.0	0.03
BV-02-2013	Chip/Channel	1.5	2.40	6.0	0.07
BV-03-2013	Chip/Channel	1.0	0.39	8.0	0.24
BV-04-2013	Area Chip	30cm X 30cm	1.56	30.0	0.03
BV-05-2013	Area Chip	30cm X 30cm	1.43	6.0	trace

Sample BV-04-2012 is taken from a crackle zone within Anomaly A that exhibits a close spaced system of carbonate fractures with visible copper mineralization. The chargeability signature in this anomaly covers an area measuring approximately 1,500m by 800m located at the north end of the project and extends to a minimum depth of 500m.

The chargeability signature in Anomaly B covers an area measuring approximately 1,000m by 600m located at the south part of the project. Samples BV-02-2012, BV-03-2012 and BV-05-2012 are channel samples taken from separate zones of copper oxide mineralization exposed within the chargeability signature from moderate to strong sericite-hematite altered volcanics.

No exploration was completed on this project the period ended June 30, 2016.

Future Activities
ExGen is awaiting the current work program from Phoenix for the Empire Mine. It is anticipated that Phoenix will begin the work to complete a NI 43-101 Resource Calculation by Q1 2017. ExGen will continue approaching other mineral exploration/production companies with the objective of achieving option agreements on its Boss, Buena Vista, East Breccia, and Gordon Lake projects. ExGen is also conducting a strategic review of its DOK project to determine the best approach forward now the Company has regained control of the property. ExGen is also currently evaluating a number of potential acquisition targets, including both projects and other junior resource companies.

Period Overview

Selected Quarterly Financial Information

Quarters Ended:	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	$	$	$	$
Net income (loss)	(26,162)	(33,948)	(126,625)	(36,549)
Basic & diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	14,675,000	14,684,254	14,703,389	14,741,958
Quarters Ended:	**June 30, 2015**	**March 31, 2015**	**December 31, 2014**	**September 30, 2014**
	$	$	$	$
Net income (loss)	(44,943)	(147,440)	(190,156)	(253,143)
Basic & diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	14,769,427	15,017,926	15,082,952	15,279,854

Expenses

Decrease in net loss for the three period ended June 30, 2016 compared to June 30, 2015, was primarily due to (i) reduction in general and administrative expenditures from cost cutting efforts and (ii) reduction in stock based compensation expense. Interest expense has also been reduced from $1,449 to $nil as the shareholder loan was fully repaid in 2015.

Decrease in net loss for the six period ended June 30, 2016 compared to June 30, 2015, was primarily due to (i) reduction in general and administrative expenditures from cost cutting efforts and (ii) reduction in stock based compensation expense. Interest expense has also been reduced from $4,516 to $nil as the shareholder loan was fully repaid in 2015.

Liquidity and Capital Resources

The Company’s working capital deficit for the period ended June 30, 2016 was $190,159 compared to working capital deficit of $251,891 for the period ended December 31, 2015.

The financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and/or obtain additional financing to pay its liabilities and to meet its commitments. The ability of the Company to generate future profitable operations is primarily dependent upon achieving successful exploration and profitable development of its mineral properties.

Management believes the going concern assumption to be appropriate for the financial statements. If the going concern assumption were not appropriate for the financial statements, adjustments may be necessary to the carrying value of assets and liabilities, reported expenses, and the balance sheet classifications used.

Acquisition and exploration expenditures (recoveries) during the six month period ended June 30, 2016 totaled $42,434 compared to $35,670 for the comparable period ended June 30, 2015. Administrative expenditures for the six month period ended June 30, 2016 totaled $49,151 compared to $136,148 for the comparable period ended June 30, 2015.

Transactions with Related Parties

Key Management Personnel:

ExGen considers key management personnel to be the officers and directors of the Company.
Total compensation to key management personnel of $9,490 (2015 - $79,129) consisted of the following:

(a) During the period ended June 30, 2016 the Company paid $9,000 (2015 - $6,750) for consulting fees to an officer and $nil (2015 - $34,000) to a director.

(b) During the period ended June 30, 2016 total share-based compensation of $490 (2015 - $42,879) was recorded resulting from options granted to officers and directors of the Company.

At June 30, 2016, accounts payable and accrued liabilities included $10,410 which was owing to a director of the Company. (2015 - $8,287)

Other Related Parties:

During the period ended June 30, 2016, the Company paid a spouse of a director $7,500 in rent (2015 - $nil). At June 30, 2016, accounts payable and accrued liabilities included $15,000 (2015 - $7,500) relating to such services.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount determined and agreed to by the related parties and it is also considered to be the fair value.

Mineral Property

A comparison and detail of expenditures related to the Boss Property for 2016, 2015 and 2014 is as follows:

	Boss Property		
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
State filing fees	$ -	$ 18,571	$ 25,008
Operating Leases	24,212	41,428	33,187
Drilling Program	-	-	-
Travel	-	-	-
Sample storage	-	2,456	8,567
Geology, Engineering, Metallurgy	-	-	-
	$ 24,212	$ 62,445	$ 66,762

A comparison and detail of expenditures related to the Buena Vista Property for 2016, 2015 and 2014 is as follows:

Buena Vista Property			
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
State filing fees	$ -	$ 13,199	$ 10,904
Operating Leases	-	-	1,309
Geology, Engineering, Metallurgy	-	-	-
	$ -	$ 13,199	$ 12,213

A comparison and detail of expenditures related to the Empire Property for 2016, 2015 and 2014 is as follows:

Empire Property			
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
Property acquisition	$ 38,893	$ 160,131	$ 354,406
Proceeds from Option Payment	(33,187)	(259,234)	-
Shares received from Phoenix		(300,000)	
Geology, Engineering, Metallurgy	-	6,410	31,043
	$ 5,796	$ (392,693)	$ 385,449

A comparison and detail of expenditures related to the DOK Property for 2016, 2015 and 2014 is as follows:

DOK Property			
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
Property acquisition	$ -	$ 50,000	$ 4,500
Proceeds from Option Payment	-	(50,000)	-
Permits	-	-	-
Geology, Engineering, Metallurgy	-	-	1,009
	$ -	$ -	$ 5,509

A comparison and detail of expenditures related to the East Breccia Property for 2016, 2015 and 2014 is as follows:

	East Breccia Property		
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
Property acquisition	$ 9,000	$ 12,500	$ 42,500
Geotechnical	-	-	-
Drilling program	-	-	-
Travel	-	-	-
Permits	-	-	-
Geology, Engineering, Metallurgy	1,303	-	-
	$ 10,303	$ 12,500	$ 42,500

A comparison and detail of expenditures related to the Gordon Lake Property for 2016, 2015 and 2014 is as follows:

	Gordon Lake Property		
	Expenditures January 1, 2016 to June 30, 2016	Expenditures January 1, 2015 to December 31, 2015	Expenditures January 1, 2014 to December 31, 2014
Geology, Engineering, Metallurgy	$ -	$ 265	$ 2,349
Lease costs	2,123	1,218	-
Permits	-	-	-
	$ 2,123	$ 1,483	$ 2,349

Off-Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it a party to any transactions or arrangements that would be excluded from the balance sheet.

Officers and Directors

Individual	Office Held
Gerald L. Roe	Director, Chairman of the Board
Jason Riley	Director, President and CEO
Jason Tong	CFO
Dennis Thomas	Director
Mark Swartout	Director
David Yancie	Director
Arlen Grove	Director

Share Capital
The Company is authorized to issue an unlimited number of common shares of which 323,630,079 were outstanding at June 30, 2016. The following table shows the detailed number of shares, options and warrants outstanding as of June 30, 2016 and changes (if any) that have occurred up to the date of this MD&A.

	As of 30-June-16	Change	As of 26-Aug-16
Common shares issued and outstanding	323,630,079	-	323,630,079
Common shares issuable upon exercise of stock options	15,450,000	-	15,450,000
Common shares issuable upon exercise of warrants	27,460,000	-	27,460,000
Common shares fully diluted	366,540,079	-	366,540,079

Outlook

ExGen is awaiting the current work program from Phoenix for the Empire Mine. It is anticipated that Phoenix will begin the work to complete a NI 43-101 Resource Calculation by Q1 2017. ExGen will continue approaching other mineral exploration/production companies with the objective of achieving option agreements on its Boss, Buena Vista, Gordon Lake and East Breccia copper projects. ExGen is also conducting a strategic review of its DOK project to determine the best approach forward now the Company has regained control of the property. ExGen is also currently evaluating a number of potential merger and acquisition targets.

As an exploration and development stage company; the future liquidity of the Company will be affected principally by the level of its exploration and development expenditures and by its ability to raise the adequate capital through the capital markets or other means. The Company will be required to raise additional funding in order to meet its long-term business objectives. The Company is aware of the current conditions in the financial markets and has taken significant steps to adapt our business model to reduce capital requirements going forward. The Company will continue to evaluate its funding requirements on a go forward basis in an effort to meet its future development and growth initiatives.

Financial Instruments and Financial Risk Management

The Company's financial instruments include cash and cash equivalents, accounts receivable, investments, deposits, shareholder loans, and accounts payable and accrued liabilities. The carrying values of accounts receivable, accounts payable, accrued liabilities and shareholder loan approximate their fair values at June 30, 2016 due to their relatively short periods to maturity. It is not practicable to estimate the fair value of the deposits due to the nature of the deposits and the unknown timing of when these will be returned to the Company. However, management believes that the fair value of these deposits is not materially different from their carrying values at June 30, 2016. Investments in equity instruments are subsequently carried at cost as it is not practicable to determine their fair value.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks.

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

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash balances, trade accounts receivable and deposits.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. Cash is held with Schedule I Canadian banks, while the deposits are held with a governmental authority. Therefore management believes the risk of loss to be minimal.

As at June 30, 2016, ExGen's accounts receivable consisted of $40,000 from trade partners (2015 - $41,926).

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking harm to the Company's reputation.

As at June 30, 2016, the Company's financial liabilities were comprised of accounts payable and accrued liabilities of $330,679, which have either contractual or expected maturities of less than one year. In order for the Company to settle its expected future obligations the Company will be required to raise funds through private placements.

c) Market risk

i) Market risk consists of currency risk, commodity price risk, other price risk, and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns:

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian and United States dollar. As the Company has transactions that are denominated in United States dollars the Company is exposed to foreign currency exchange risk. At June 30, 2016, the Company held US cash of $143 (2015 - $nil), US deposits of $34,353 (2015 -$34,268) and US accounts payable of $93,021 (2015 - $61,339). Every $0.01 change in the foreign exchange rate at June 30, 2016 would have impacted net loss by $585 (2015 - $271).

ii) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Other price risk

Other price risk is the risk that the fair value 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 currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company holds private company shares with an estimated initial fair value of $300,000. These shares are illiquid and there is no guaranty that when these shares become available to sell that the carrying value of the investments would be realized.

iv) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no variable rate debt, however is exposed to interest rate risk on its cash equivalents. The Company did not hold any cash equivalents at June 30, 2016 and had no interest rate swap or financial contracts in place at June 30, 2016.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the development of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of equity comprised of issued share capital and deficit.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint interest arrangements, or dispose of mineral properties. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended June 30, 2016.

Risks and Uncertainties

The securities of the Company must be considered speculative, generally because of the nature of the business and its stage of development. In addition, a prospective investor should carefully consider the following factors:

a) Mineral Exploration and Development

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There are no assurances that even if reserves are established on the properties, a mine will be brought into commercial production.

b) Metal Prices

The Company's future revenues, if any, are expected to be derived in large part from the sale of gold and base metals. The prices of those commodities fluctuates widely and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global and regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining methods, etc. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot be accurately predicted.

c) Additional Financing

The Company does not currently have sufficient financial resources to undertake by itself all of its planned exploration and possible development programs. The exploration and development of the properties may therefore depend on the Company's ability to obtain additional required financing. There is no assurance that additional funding will be available to allow the Company to fulfill its obligations on the properties.

d) Government Regulation

Exploration and development of the properties will be affected to varying degrees by: i) government regulations relating to such matters as environmental protection, health, safety, and labour; ii) mining law; iii) restrictions on production; price controls; tax increases; iv) maintenance of claims; v) tenure; and vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations;

Cautionary Statement

This MD&A may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; general business, economic, competitive, political and social uncertainties; fluctuations in the market value for gold and other metal commodities; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.