

GRIZZLY DISCOVERIES INC.
(the "Company" or "Grizzly")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2017 AND 2016

The following MD&A, approved by the Audit Committee of the Board of Directors of the Company on March 31, 2017, should be read together with the condensed consolidated interim financial statements for the three and six months ended January 31, 2017 and 2016 and the notes thereto and the consolidated financial statements of the Company for the years ended July 31, 2016 and 2015 and the notes thereto (the "Financial Statements") prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Description of Business

Grizzly Discoveries Inc. is an early stage multiple commodity exploration company engaged in the acquisition, exploration and potential future development of potash and diamonds on properties in Alberta and precious and base metals on properties in British Columbia.

Grizzly is a reporting issuer in Alberta, and trades on the TSX Venture Exchange under the symbol GZD, on the Frankfurt Stock Exchange under the symbol G6H - WKN-A0F464, and on the OTCPink under the symbol GZDIF.

Overall Performance

The Company has no operating revenue to date; the only cash income earned is from interest on deposits. The Company relies on the issuance of common shares to finance exploration and to provide working capital. Most the Company's financial assets are expended in the acquisition and exploration of its mineral properties, which is reflected in the Company's consolidated financial statements as an increase in mineral properties on the consolidated statement of financial position.

Additions to the capitalized balance of the Company's mineral properties in the current and comparative six month periods are detailed in the following tables:

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
	\$	\$	\$	\$
July 31, 2015	1	2,882,560	8,269,138	11,151,699
Acquisition and land use	625	7,243	6,465	14,333
Fieldwork and geological consulting	541	1,322	11,644	13,507
Mineral tax credit	-	-	(3,493)	(3,493)
Impairment	(1,166)	-	(2,602)	(3,768)
January 31, 2016	1	2,891,125	8,281,152	11,172,278
July 31, 2016	1	1	8,285,126	8,285,128
Acquisition and land use	-	5,418	7,314	12,732
Fieldwork and geological consulting	11,078	731	5,476	17,285
Mineral tax credit	-	-	(1,643)	(1,643)
Impairment	(11,078)	(6,149)	(6,089)	(23,316)
January 31, 2017	1	1	8,290,184	8,290,186

Selected annual information

The following table summarizes audited financial data for annual operations reported by the Company for the three most recently completed financial years.

For the year ended	July 31, 2016	July 31, 2015	July 31, 2014
Total assets (\$)	8,469,444	11,342,544	11,584,362
Mineral properties (\$)	8,285,128	11,151,699	11,099,533
Current liabilities (\$)	73,119	31,761	45,797
Interest income (\$)	940	2,398	11,297
Net loss (\$)	3,191,760	234,801	694,244
Basic and diluted loss per common share (\$)	0.06	0.00	0.01
Weighted average number of common shares outstanding	50,173,092	48,725,268	48,725,268

Summary of quarterly results

The following table summarizes financial data reported by the Company for the most recent eight quarters:

Period ended	Jan 31, 2017	Oct 31, 2016	Jul 31, 2016	Apr 30, 2016	Jan 31, 2016	Oct 31, 2015	Jul 31, 2015	Apr 30, 2015
Net loss (\$)	37,057	41,135	3,083,664	19,026	38,120	50,950	79,703	51,891
Basic and diluted loss per common share (\$)	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00

Fluctuations in the Company's net loss are due primarily to: the recognition of share based compensation costs arising from the issuance and vesting of stock options, and impairment charges. Specific variances in the current three and six month periods compared to the comparative periods are discussed below.

Results of Operations – Three Months Ended January 31, 2017

The Company incurred a net loss for the three months ended January 31, 2017 of \$37,057 (2016 – \$38,120). Items comprising the net loss varied in the three months ended January 31, 2017 compared to the three months ended January 31, 2016 as explained below.

General and administrative expenses incurred in the three months ended January 31, 2017 of \$25,274 (2016 - \$34,071) is near the lower bound required to maintain the Company's corporate operations. A description of significant variances between the periods follows:

- Advertising and promotion costs of \$690 (2016 - \$2,060) were incurred for promotion of the Company and was lower than the comparative period due to reduced promotional activity.
- Conference and corporate travel expenses of \$500 (2016 - \$850) were incurred in the period for corporate travel related to operations and financing activities and was consistent between periods.
- Consulting fees of \$12,000 (2016 – \$16,258) were paid to management, and, in the prior year, to administration, and investor relations consultants for the management, promotion, and normal business operations of the Company and decreased from the comparative quarter due to reductions in capacity and voluntary reductions by officers of the company in fees.
- Office and administration costs of \$5,068 (2016 - \$3,235) were incurred in the period for regular office costs including: office rent; office supplies; insurance; computer software; and communications and internet. The Company has minimized its ongoing office costs and expects to maintain a low administrative cost structure for the foreseeable future.
- Regulatory and transfer fees of \$5,855 (2016 - \$7,726) were incurred to the Company's transfer agent and amortized annual listing fees paid to the TSX Venture exchange and, in 2016, to the OTCQX exchange (until December 31, 2015).
- No depreciation on equipment was recorded for the three months ended January 31, 2017 (2016 - \$645) as the Company sold the underlying asset in a prior year.
- Professional fees of \$1,161 (2016 - \$3,297) were incurred for professional accounting and, in 2016, legal fees and corporate governance.

In the comparative three months ended January 31, 2017, the Company recorded share based compensation expense in the amount of \$1,166 (2017 – nil) from the vesting of options issued prior to the quarter. The

valuation of stock options, as described in the Financial Statements, has been calculated using the Black Scholes option pricing model.

In the three months ended January 31, 2017, the Company recorded mineral property impairments totaling \$11,898 (2016 – \$3,000) in mineral property costs related to expenditures on its Alberta Potash properties, its Alberta Diamond properties, and certain BC Metals properties, which have previously been impaired on the consolidated statements of financial position to a nominal amount of \$1, in the consolidated statements of loss.

Offsetting the above expenses was interest income of \$115 (2015 – \$117) earned from financial institutions on the Company's cash deposits.

Results of Operations – Six Months Ended January 31, 2017

The Company incurred a net loss for the six months ended January 31, 2017 of \$78,550 (2016 – \$89,363). Items comprising the net loss varied in the six months ended January 31, 2017 compared to the six months ended January 31, 2016 as explained below.

General and administrative expenses incurred in the six months ended January 31, 2017 of \$55,234 (2016 - \$82,262) is near the lower bound required to maintain the Company's corporate operations. A description of significant variances between the periods follows:

- Advertising and promotion costs of \$3,389 (2016 - \$3,726) were incurred for promotion of the Company and was consistent with the prior period.
- Conference and corporate travel expenses of \$566 (2016 - \$1,540) were incurred in the period and was lower than the comparative period due to the Company's policy of minimization of corporate travel.
- Consulting fees of \$24,000 (2016 – \$42,483) were paid to management, and, in the prior year, to administration, and investor relations consultants for the management, promotion, and normal business operations of the Company and decreased from the comparative quarter due to reductions in capacity and voluntary reductions by officers of the company in fees.
- Office and administration costs of \$12,896 (2016 - \$13,896) were incurred in the period for regular office costs including: office rent; office supplies; insurance; computer software; and communications and internet. The Company has minimized its ongoing office costs and expects to maintain a low administrative cost structure for the foreseeable future.
- Regulatory and transfer fees of \$10,028 (2016 - \$14,893) were incurred to the Company's transfer agent and amortized annual listing fees paid to the TSX Venture exchange and, in 2016, to the OTCQX exchange (until December 31, 2015).
- No depreciation on equipment was recorded for the six months ended January 31, 2017 (2016 - \$1,290) as the Company sold the underlying asset in a prior year.
- Professional fees of \$4,355 (2016 - \$4,434) were incurred for professional accounting and, in 2016, legal fees and corporate governance.

In the comparative six-month period ended January 31, 2016, the Company recorded share based compensation expense in the amount of \$3,333 (2017 – nil) from the vesting of options issued prior to the quarter. The valuation of stock options, as described in the Financial Statements, has been calculated using the Black Scholes option pricing model.

In the six months ended January 31, 2017, the Company recorded mineral property impairments totaling \$23,316 (2016 – \$3,768) in mineral property costs related to expenditures on its Alberta Potash properties, its Alberta Diamond properties, and certain BC Metals properties, which have previously been impaired on the consolidated statements of financial position to a nominal amount of \$1, in the consolidated statements of loss.

Offsetting the above expenses was interest income of \$358 (2016 – \$293) earned from financial institutions on the Company's cash deposits.

Financial Instruments

Financial instrument classification

Grizzly's financial instruments recognized on the consolidated balance sheets consist of cash and cash equivalents, restricted cash, accounts receivable (included in other current assets) and accounts payable and accrued liabilities.

Grizzly has designated its cash and cash equivalents and restricted cash as loans and receivables, and accordingly they are recognized on the consolidated balance sheet at amortized cost.

Accounts payable and accrued liabilities have been classified as other liabilities, and are measured at amortized cost.

The estimated fair market values of the Grizzly's financial instruments approximate their carrying values due to their short-term nature.

Purchases and sales of financial assets will be accounted for using trade-date accounting, and transaction costs on financial instruments other than those classified as held for trading will be recognized in profit and loss in the period in which they occur.

Grizzly has no unrecognized financial instruments or derivative financial instruments nor any "off-balance sheet" arrangements.

Capital management

The Company monitors its equity as capital.

Grizzly's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to seek out and acquire new projects of merit.

Grizzly's objectives in managing its capital are: to maintain corporate and administrative functions necessary to support its operations and corporate functions; to perform mineral exploration activities on its exploration projects; and to seek out and acquire new projects of merit.

Financial Instruments

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains a negligible United States of America Dollar ("USD") cash balance for incidental USD expenses, therefore is not exposed to a material amount of currency risk.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities, therefore interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with reputable financial institutions in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review.

At January 31, 2017, the Company's current liabilities consisted of accounts payable and accrued liabilities of \$77,651 (July 31, 2016 - \$73,119) due within the subsequent fiscal year. The Company's cash and cash

equivalents of \$15,210 at January 31, 2017 (July 31, 2016 - \$91,138) were not sufficient to pay these current liabilities. The Company has made arrangements with a creditor, to which is owed approximately \$67,000 at January 31, 2017, included in accounts payable and accrued liabilities for exploration and claim maintenance on the Company's mineral properties, to delay collection until the Company has obtained additional financing.

As at the date of this MD&A, the Company has completed one tranche of a private placement, announced on February 15, 2017, for gross proceeds of \$138,000 and is seeking buyers for additional units. The Company expects to sell a sufficient number of units, consisting of common shares and warrants, to settle its current obligations and continue operations for at least an additional fiscal year. Details of the announced private placement are described elsewhere in this MD&A.

Additional funding is required to continue exploration on the Company's mineral properties. If management is unable to secure additional financing, the Company will reduce ongoing administrative costs, expected to result in a severe reduction in the Company's operational and administrative capacity.

The Company has an additional outstanding obligation to conduct reclamation activities at two exploratory well sites in Alberta estimated at a discounted present value of \$192,821 (July 31, 2016 - \$1952,821), recorded as a non-current provision in the consolidated statements of financial position. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future. Grizzly will have to seek, and intends to seek, additional debt or equity financing, and there can be no assurance that such financing will be available on terms acceptable to the Company.

Determination of fair value

The consolidated statement of financial position carrying amounts for cash and cash equivalents, restricted cash, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Liquidity and Capital Resources

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company, particularly the exploration and potential development of its mineral properties, are dependent upon its ability to continue to obtain adequate financing in the future, for which there is no guarantee the Company will be successful in obtaining on terms acceptable to the Company.

At the date of this MD&A, the Company's working capital is approximately \$102,000 compared to a working capital deficit of \$2,200 at January 31, 2017 and working capital of \$81,000 at July 31, 2016.

Private placement underway

On February 15, 2017, the Company announced that it was offering a private placement (the "Private Placement") of up to 5,000,000 non-flow-through units (the "Units") at a price of \$0.05 per Unit, for gross proceeds of up to \$250,000, and up to 4,500,000 flow-through units (the "FT Units") at a price of \$0.07 per FT Unit, for gross proceeds of up to \$315,000.

On March 31, 2017, the Company completed one tranche of the private placement, having sold 2,760,000 Units for gross proceeds of \$138,000, paid commissions of \$3,800, and issued 76,000 Finder Warrants (defined below) with terms equivalent to the Unit Warrants. The remainder of the Units and FT Units remain available for sale by the Company at the date of this MD&A.

Each Unit is comprised of one common share in the capital of the Company ("Common Share") and one Common Share purchase warrant with an exercise price of \$0.075 per Common Share ("Unit Warrant"). Each FT Unit is comprised of one Common Share issued as a "flow-through" share pursuant to the Income Tax Act (Canada) ("FT Share") and one Common Share purchase warrant with an exercise price of \$0.10 per Common

Share ("FT Unit Warrant"). Each of the Unit Warrants and FT Unit Warrants (collectively, the "Warrants") will entitle the holder to acquire one additional Common Share at the corresponding exercise price, for a period of two years from the date the Units or FT Units are issued (the "Closing Date") or, if during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.12 per share on the TSX Venture Exchange for 10 consecutive trading days, the Company may accelerate the expiry time of the Warrants by issuing a news release and giving written notice to holders of Warrants stating that the Warrants will expire 30 days from the date of such notice ("Acceleration").

If fully subscribed, the Private Placement will result in the sale and issuance of 9,500,000 Common Shares and 9,500,000 Warrants for aggregate gross proceeds of \$565,000.

The Units and FT Units shall be sold to persons eligible pursuant to available prospectus and registration exemptions. A portion of the Units may be sold to eligible purchasers in accordance with the exemption set out in Alberta Rule 45-516 Prospectus Exemptions for Retail Investors and Existing Security Holders, or similar regulations in other jurisdictions, (the "Security Holder Exemption") pursuant to the terms and conditions of this news release and Alberta Rule 45-516. Grizzly shall make the pro-rata offer available to all persons in eligible jurisdictions who, as of the record date of February 14, 2017, held at least one Common Share. In accordance with the requirements of the Security Holder Exemption, the Company confirms there is no material fact or material change related to the Company which has not been generally disclosed.

In connection with the Private Placement, where permitted by applicable securities legislation, any Units or FT Units sold to purchasers referred to the Company by registered broker dealers, limited market dealers, or other eligible arm's length persons (individually, a "Finder") may result in a cash commission in an amount equal to 10% of the gross proceeds of the Units or FT Units sold to such referred purchasers, to be paid out of the gross proceeds of Units to the Finder at closing. As additional consideration, the Company may issue to the Finder Common Share purchase warrants (the "Finder Warrants") entitling the Finder to purchase an additional number of Common Shares equal to 10% of the aggregate number of Units and FT Units sold by the Finder in the Private Placement on the same terms as the Warrants included in the respective Units or FT Units sold. Subject to regulatory approval, each Finder Warrant will be exercisable to acquire one common share at the corresponding exercise price of \$0.075 or \$0.10 for a period of 24 months after the Closing Date, subject to the Acceleration.

The gross proceeds received by the Company from the sale of the FT Shares included in the FT Units will be used to incur Canadian Exploration Expenses that are "flow-through mining expenditures" (as such terms are defined in the Income Tax Act (Canada)) on the Company's properties in British Columbia, which expenses will be renounced to the subscribers with an effective date no later than December 31, 2017, in the aggregate amount of not less than the total amount of the gross proceeds raised from the sale of FT Shares. The price of the FT Units shall be allocated as \$0.069 per FT Share and \$0.001 per FT Unit Warrant, or such other allocation that is finally determined by agreement between the Company and the Canada Revenue Agency.

The gross proceeds on the sale of FT Units are expected to be expended on surface exploration leading to drilling of targets on the Ket 28, Motherlode and Dayton areas of the Company's Greenwood Project in British Columbia. The net proceeds from the sale of the Units will be used for general corporate and working capital purposes. All Common Shares issued under the Private Placement and any Common Shares issuable upon exercise of Warrants or FT Unit Warrants will be subject to a four month hold period from the date of issue in accordance with applicable laws and regulations. The Private Placement is subject to acceptance of the TSX Venture Exchange.

As at the date of this MD&A, the Company is receiving subscriptions from eligible investors and expects to close on additional tranches of the private placement in the quarter ended April 30, 2017.

Current working capital

As of the date of this MD&A, the Company's working capital is approximately \$102,000 including approximately \$87,000 in cash (subsequent to closing a tranche of the private placement described above), and is expected

to be sufficient to meet the Company's operating costs and other obligations. Directors of the Company and members of management have historically provided capital by way of common share financings in the Company, and the Company expects that, at minimum, the Company will be able to raise sufficient capital to provide corporate working capital in order to meet its current obligations and minimal operating costs for one fiscal year. In the case that sufficient additional financing is not secured, the Company will further reduce operating costs, expected to result in a severe reduction in the Company's operational and administrative capacity.

Outstanding Share Data

The following table summarizes the Company's outstanding share capital as at the date of this MD&A:

Common shares outstanding	55,348,605
Warrants, \$0.08, 1.4 years remaining	6,518,537
Stock options, \$0.10, weighted average 3.5 years remaining	<u>2,900,000</u>
Fully diluted	<u>64,767,142</u>

Additional Subsequent Event

On February 23, 2017, the Company entered into an agreement (the "Agreement") with AGORA Internet Relations Corp. ("AGORA") in order to increase awareness about Grizzly via the web to the investment community.

The Company intends to issue shares for services to AGORA in exchange for the online advertising, marketing and branding services ("Advertising Services"). Pursuant to the terms of the Agreement, the Corporation will be issuing, subject to regulatory acceptance, common shares of Grizzly ("Shares") with aggregate value of \$40,000 (plus HST) over the one year term of the Agreement. The Shares, subject to regulatory acceptance, will be issued in five tranches:

- Shares valued at \$8,000+HST upon commencement of the Agreement (March 1, 2017)
- Shares valued at \$8,000+HST following each three-month period during the term of the Agreement

The number of shares to be issued at the end of each period will be determined by using the closing price of the Shares of the Company on the TSX Venture Exchange on the first trading day following each period for which the Advertising Services were provided by AGORA, subject to a minimum price of \$0.05 per share. Each issuance of shares for Advertising Services by AGORA is subject to TSX Venture approval.

The term of the Agreement is for 12 months effective March 1, 2017. The Company will announce each issuance of shares under the Agreement.

On March 2, 2017, the Company issued 180,800 common shares as the initial payment to Agoracom at a deemed value of \$0.05 per common share, and with a total deemed value of \$9,040, being \$8,000 plus HST.

Mineral Properties

The Company's primary business is the acquisition and exploration of mineral claims with the ultimate goal of defining one or more mineral resources in order to either develop for production or vend to a third party. The Company holds or has a majority interest in:

- four precious-base metal properties in British Columbia, including the extensive **Greenwood Project** approximately 33% of which is under option by a subsidiary of Kinross Gold Corporation to earn up to an 80% interest, and the **French** and **Peak** claims;
- the **Alberta Potash Project** consisting of wholly-owned and one 50%-owned mineral claim blocks in Alberta with a current total land surface area of approximately 250,000 acres, and;
- the **Alberta Diamond Project**, covering a land area of approximately 220,000 acres, hosting diamondiferous kimberlites discovered by Grizzly in 2008.

Summaries of each of the Company's principal projects are below. The reader should note that any potential future exploration programs mentioned below are subject to the Company obtaining financing on terms acceptable to the Company.

Greenwood Project

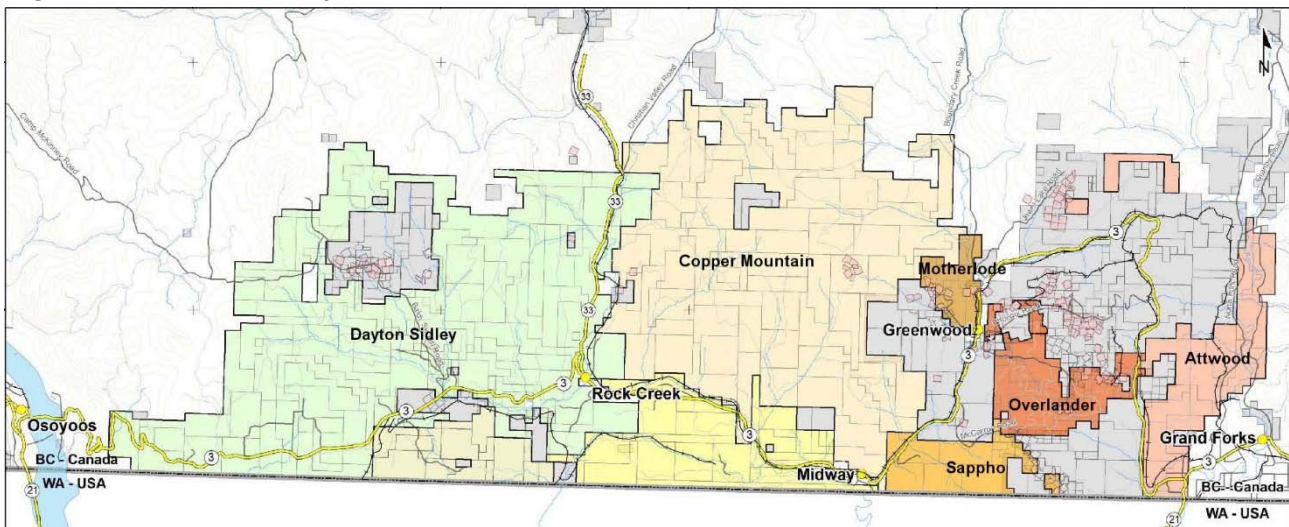
Southern British Columbia

Since 2008, the Company has consolidated a previously fragmented historic mining camp with mineral claims covering approximately 225,000 contiguous acres in South-central British Columbia, in the historically productive *Republic-Greenwood Gold District*, abutting the border with the United States.

The *Republic-Greenwood Gold District* has historically produced an aggregate of more than 6 million ounces of gold ("Au") prior to Grizzly's acquisition of the Greenwood Project. The Greenwood Project also sits less than 10 kilometers ("km") north of the Buckhorn Gold Mine, a producing gold mine (unrelated to the Company) in the US, which had a 1.2 million ounce ("oz") gold resource at 16 grams/tonne of gold ("g/t Au") at start up in 2010, and less than 50 km north of the Golden Eagle Project, with a greater than two million ounce gold resource. Based on compilation, assessment, and exploration work conducted by the Company, Grizzly believes that a large portion of the Greenwood Project lands cover a continuation of the same geological structures as these two mines.

The mineral claim blocks constituting the Greenwood Project have historically been subject to fragmented ownership. These blocks have been consolidated by Grizzly into six separate claim groups and are briefly described below. In November of 2013, the company filed with regulators and on SEDAR a National Instrument 43-101 compliant independent technical report on the Greenwood project which includes extensive disclosure on the Greenwood Project and the Company's exploration results obtained to date.

Figure 1: Greenwood Project



Dayton – Sidley Block

The Dayton-Sidley block represents the North-westerly corner of the Greenwood Project. The Company conducted exploration on the Dayton-Sidley block in 2009, 2010 and 2011, which included 14 holes (2,777 m) of diamond drilling at the Dayton Prospect. Results from exploration at the Dayton Prospect indicate porphyry bulk tonnage style Au-Copper ("Cu") mineralization, open to depth and along strike. The best drill hole intersections to date is 0.43 g/t Au and 0.15% copper (Cu) across 51.0 m core length.

Rock Creek Block

The Rock Creek Block is located south of the Dayton-Sidley Block, bordering the USA. The Rock Creek area has a prolific history of exploration and production dating to the late 19th century and contains multiple old (abandoned) workings including shafts, adits, and prospecting pits. The focus in the Rock Creek area has historically been for both gold and base metals. The Company has conducted extensive exploration from 2009 to 2011 in the area including 12 diamond drill holes (1,744 m) at the Ket 28 target.

The Company conducted an exploration program in 2009-2010 consisting of rock and HMC sampling, ground geophysics, and a nine diamond drill hole program. Rock samples near the Ket 28 prospect in the Rock Creek Block yielded assays up to 53.2 g/t Au. A ground magnetics and horizontal-loop electromagnetic ("HLEM") survey was completed over the Ket 28 prospect and indicated the presence of a northwest oriented structure and a large magnetic anomaly of which the Northwest edge is associated with Au mineralization. Drilling at the Ket 28 target indicates the presence of wide zones of hydrothermal Au-Silver ("Ag") associated with extensive alteration along a northwest structure. The best drill intersections obtained during the Companies exploration work are 11.9 g/t Au across 2.0 m core length and 8.85 g/t Au across 3.0 m core length.

Copper Mountain Block

The Copper Mountain block sits in the North-central portion of the Greenwood Project. Exploration was conducted on the property by the Company, building on extensive historical work by previous owners of the underlying claims, in 2009 through 2011 and included rock sampling, ground geophysics and diamond drilling in four target areas: Prince of Wales; Mabel Jenny North; Mabel Jenny; and Coronation. A total of 1,708 m were drilled yielding wide zones of hornfels alteration and poly-metallic mineralization (Au-Ag-Cu-Zinc ("Zn")). The best drill intersection to date is 1.0 g/t Au, 4.65 g/t Ag and 0.3% Zn across 30.0 m.

Sappho Block

The Sappho block lies southeast of the Copper Mountain block, with the block's southern border coinciding with the USA border. The Company conducted exploration in 2008 through 2010, including soil sampling heavy mineral concentrate ("HMC") analysis, rock sampling, ground geophysics, and diamond drilling.

Rock sampling targeting the Sappho occurrence and it's immediate area resulted in the identification of several zones of high Ag and Cu with anomalous Au, Platinum ("Pt"), and Palladium ("Pd"). Ground geophysics identified a high interest magnetic anomaly which was subsequently tested with two diamond drill holes (2010) which intersected mineralized zones. Two additional diamond drill holes targeting historic occurrences also confirmed the presence of mineralization. Analysis of data and results to date indicates the potential for wide zones of hornfels to skarn mineralization (Au-Ag-Pt-Ag-Cu-Zn). The best drill intersections to date are from a single hole with 68.4 g/t Ag, 0.63 g/t Au, 0.18 g/t Pt and 0.4% Cu across 7.0 m, and 6.57 g/t Ag, 0.75 g/t Au, 0.34 g/t Pt and 0.3% Cu across 6.5 m core length in two separate zones.

Motherlode Block

The Motherlode claim block is located just East of the Copper Mountain block and covers three historic producing Cu-Au skarn deposits from which a total of 4.2 million tonnes at a grade of 0.8% Cu and 1.3 g/t Au was produced in the periods 1896-1918 and 1956-1962.

The Company conducted exploration on the Motherlode block in 2008 through 2011 consisting of HMC analysis, rock and soil sampling, and ground geophysics. Rock sampling was focused on the areas surrounding the existing Motherlode, Sunset, and Greyhound pits, with seven samples returning assays greater than 5 g/t Au.

Ground geophysics and an HLEM survey over the Motherlode North area indicated an interesting magnetic low-high trend of NW orientation coincident with an EM anomaly. Drilling during 2011 yielded a new polymetallic discovery of Au-Ag-Pb-Zn-Cu north of the historic Motherlode Pit. The best intersections obtained to date include 6.07 g/t Au, 15.13 g/t Ag, 0.2% Pb and 0.7% Zn over 4.5 m core length, and 4.11 g/t Au, 6.88 g/t Ag, and 1.04% Zn over 2.85 m core length in two from two separate drill holes.

Overlander – Attwood Block

The Overlander block is in the centre of the Eastern half of the Greenwood Project and has an extensive history of exploration and production by previous claim holders. The Overlander Block surrounds the historic Phoenix Mine, and the Golden Crown and Lexington gold deposits currently owned by Golden Crown LLC.

The Company conducted exploration on the Overlander – Attwood Block from 2009 to 2012. Exploration consisted of HMC, rock and soil sampling, ground geophysics and diamond drilling. HMC sampling yielded 3 to 27 visible gold grains in tributary streams sourced from Overlander - Mount Attwood area, and rock sampling confirmed the presence of high grade Au mineralization in the areas around several historical showings with a number of samples yielding greater than 20 g/t Au. Soil sampling yielded a number of excellent Au in soil anomalies a few of which were the focus of the 2012 drilling.

The Company conducted a total of 1,364 m of diamond drilling in 5 holes yielding pyrite and quartz veins in basalt and ultramafic rocks along with pyrite and chalcopyrite in skarns in limestone. Polymetallic mineralization with Au-Ag-Cu-Pb-Zn was intersected in most of the drill holes. The P5 target yielded 3.54 g/t Au over 1.5 m. and a long intersection of highly anomalous nickel with 0.18% Ni over 99.13 m. The anomalous Au in soil anomalies that were drill tested are yet to be explained.

As previously announced by the Company, management has selected Ket 28 in the Rock Creek Block as the priority for exploration drilling and has planned a drill exploration program, subject to financing, at Ket 28. In addition, the Company has identified priority targets for future work including drilling at the Dayton, Motherlode and Copper Mountain blocks. Any future exploration is contingent upon the Company obtaining financing on terms acceptable to the Company.

On September 23, 2015, the Company announced that it had entered into an agreement (Kinross Option) with a subsidiary of Kinross Gold Corporation ("Kinross") whereby the Company granted to Kinross the option to earn a 75% interest in certain mineral claims within the Company's Greenwood Gold Project, covering approximately 27,000 hectares (approximately one third of the area comprising the Greenwood Gold Project), by completing US \$3,000,000 in exploration expenditures, including a minimum of 3,000 metres of diamond drilling, including a minimum of 750 metres of diamond drilling and expenditures totaling US \$750,000 by September 23, 2017. In order to earn its 75% interest, Kinross must complete the expenditures within five years of signing the Kinross Option. Provided Kinross completes the option, the Kinross Option provides that the Company and Kinross shall subsequently enter a joint venture with dilution provisions. Upon being diluted

to a 10% interest, the diluted party's interest will convert to a 2% net smelter royalty. The Kinross Option primarily covers mineral claims within the Midway, Sappho, Overlander and Attwood blocks.

Kinross has completed small ground exploration programs in 2015 and 2016 and the Company expects that Kinross will continue to earn in to the option in 2017.

2016 Update on Kinross Exploration of Grizzly's Greenwood Project Claims Under Option

On February 6, 2017, the Company announced that it had been advised by Kinross that it has completed its 2016 work program on the Grizzly Greenwood property. The 2016 work program by Kinross yielded identification of epithermal and skarn precious metal mineralization at the Mt Attwood-Overlander and Midway target areas.

The 2016 exploration program focused primarily at the Mt Attwood-Overlander and Midway target areas and included trenching, soil, rock and stream sediment sampling, geological mapping, along with geochemical analysis and reporting. Exploration at the Mt Attwood-Overlander and Midway target areas yielded newly-identified epithermal precious metal and skarn mineralization, as well as confirmation and extension of epithermal and skarn alteration and mineralization discovered during 2015.

Fieldwork conducted at five separate target areas took place between May 1 and October 5, 2016. A total of 3,131 soil samples, 411 rock samples and 34 stream silt samples were collected, as well as 12 trenches were excavated during the 2016 program. A total of 421 field man-days of work were conducted during the period. Further work is recommended at the Mt Attwood-Overlander and Midway target areas.

Mt Attwood – Overlander Area

The newly discovered quartz veins included extensions to the two veins discovered in 2015 (see Grizzly news release dated April 18, 2016) which bring the number of veins discovered in 2015 and 2016 to seven. Visible gold (Au) was found at one new vein with historic assays in the area up to 37.9 g/t gold.

- Discoveries of new quartz veins in 2016 include extensions to two veins found in 2015, in combination with 4 additional veins define an area/corridor nearly 0.5 x 0.25 km. In total, seven new veins have been discovered in 2015/2016.
- Visible gold was found at one of the veins, potential exists for extensions and parallel veins to the vein with visible gold as well as a number of the other vein sets nearby.
- The prospective quartz veins, and to a degree associated alteration, are hosted in what is mapped as Permian Attwood Group Limestones, with several bedding parallel and cross cutting intrusions in the vicinity. The historic Overlander mesothermal vein to the southwest is hosted in the Attwood group clastic sediments and volcanics.
- More than 1,900 soil samples were collected at Mt Attwood–Overlander, with over 8% >50ppb and 3% >100ppb gold. Similarly, nearly 9% of the 179 rock samples yielded gold assays >1 g/t, with grab samples up to 20 g/t, and chip samples ranging from 5 to 13 g/t over lengths ranging from 0.5 up to 1 metres.
- Nearly 75% of the 30+ stream silt samples collected at the project yield anomalous samples with a number of 1 g/t gold level assays. These samples warrant follow up exploration to determine the source of the multiple drainage anomalies.

Midway Area

At Midway, the area was subdivided into four target areas including the Texas-Bruce, a previously known skarn area. One of the sub areas is a newly identified epithermal silicification occurrence, and another sub-area is defined by a gold in soil anomaly in the northwest portion of the area.

- All of the areas are underlain by Triassic Brooklyn formation sedimentary rocks with extensive Eocene and older intrusive rocks.
- Over 900 soil samples were collected at Midway, nearly 4% of samples yielded > 50 ppb gold, a quarter of which assayed >100 ppb gold up to 859 ppb gold.
- Over 200 rock samples were collected from the Midway area, nearly 7% yielded > 1 g/t gold, and a number of chip samples from the Texas area yielded significant gold grades ranging from 6 to 11 g/t gold (along with copper) over widths ranging from 0.5 to 1.2 m.
- Although the Texas and Bruce targets yield most of the highest assays, they have been drilled historically, the mineralization is narrow and is significantly disrupted along strike. East of the Texas-Bruce area, exploration during 2016 found evidence of a widespread intermittent silica cap over a significant distance with gold in rock chip assays up to 4.17 g/t. Further work including drilling is warranted.
- Although the gold assay results from rock samples within the widespread and intensely silicified area are modest, there is extensive alteration along with gold in soil anomalies and anomalous As, Hg, Sb and Mo indicative of epithermal mineralization. Silica caps in carbonate terrain do not always yield high gold but targets may exist at depth or along strike.
- A significant zone of low grade gold related to an altered intrusion was identified by a gold in soil anomaly in the northwest portion of the target area.

2017 Proposed Kinross Work Program

Kinross is expected to continue exploration efforts in 2017 with continued regional evaluation, prospect/target generation along with detailed field mapping and surface sampling leading to potential drill programs in 2017.

French and Peak Properties

The Company's French and Peak properties in central British Columbia (near Smithers) were acquired by the Company in 2005. The Company has not conducted significant exploration on either of these properties since 2008, however still holds them in good standing and is currently evaluating the properties for additional exploration in the near term.

The French property consists of four mineral claims covering 500 ha with indications of copper-molybdenum-silver-gold mineralization in a lower grade bulk tonnage style porphyry-type mineralized zone. The Peak property consists of 9 claims totaling 3,643 ha with polymetallic silver-gold-copper-lead-zinc in veins and in a large associated breccia zone that is spatially coincident to a large IP chargeability anomaly. The Peak property has been assessed by the Company as potentially hosting a volcanogenic massive sulphide ("VMS") deposit with similar style and relationships to the past producing Eskay Creek VMS deposit. The discovery of a potential VMS deposit has been the main focus of the Company's exploration efforts to date on the Property. Drilling during the fall of 2008 intersected widespread low grade polymetallic mineralization in association with the IP chargeability anomaly indicating that the Peak property also is a target for bulk tonnage style porphyry style mineralization.

During the year ended July 31, 2014, the Company recorded an impairment to the carrying value of the French Property totaling \$70,911 due to the Company's de-prioritization of future potential exploration on the property.

The Company intends at an unspecified future date, subject to financing on terms acceptable to the Company, to conduct drill programs on the Peak property.

Silver Bear

In the year ended July 31, 2014, the Company recorded an impairment to the carrying value of the BC Metals properties included in Mineral Properties of \$302,081 representing the carrying value of the Silver Bear minor property, as the Company has deprioritized any potential future work on this property.

Alberta Potash Project

In the year ended July 31, 2016, the Company had impaired the carrying value of the Alberta Potash properties, included in Mineral properties on the consolidated statements of financial position, by \$2,855,699, to a carrying value of \$1, as the Company had not conducted exploration on the properties in several years, does not currently have the financial resources to conduct exploration, and many of the underlying mineral rights have expired or will expire in the coming year. The Company may take action to retain mineral rights on the mineral claims deemed to be of the highest prospectivity for potash provided the required resources are available.

Southeast and East-central Alberta

The Company's Alberta Potash Project, located in east central Alberta, consists of two 100% owned claim blocks, the North (Lloydminster) Block and the South (Medicine Hat) Block, as well as a 50% jointly owned Provost Block with Pacific Canada Potash Ltd., a wholly owned subsidiary of Pacific Potash Corp. (Pacific). The project originally consisted of Metallic and Industrial Mineral (MAIM) permits covering approximately 993,000 hectares (ha) (2,319,000 acres) along the Alberta-Saskatchewan border, with a large portion of these permits being in close proximity to, or directly containing areas that are underlain by, the potash-bearing Prairie Evaporite Formation.

As at the date of this MD&A, the Alberta Potash Project permits cover approximately 243,000 acres and containing the areas of highest prospectivity for potash based on the Company's analysis of information available.

The Alberta Potash Project was initially assessed by the Company as being prospective for potash in 2009 through a compilation of historical oil and gas well data and archived drill cores at the Alberta Energy Resources and Conservation Board ("ERCB"). The North Block of the Alberta Potash Project now includes the historic Vermillion Consolidated Oils No. 15 well ("VCO #15"), originally drilled in 1944 and revisited in 1965. VCO #15 reported 3.7 m of carnallite ("KCl"; a highly soluble form for extractable potash) in the upper part of the Prairie Evaporite Formation. Further analysis noted a 15.2 m section containing a pinkish-grey potash mineral (possibly sylvite ("K₂O")) in the top part of the Prairie Evaporite. The potash bearing section was reported to be underlain by 122 m of halite ("NaCl"). The remaining core available from VCO #15 yielded up to 18.6% K₂O (29.4% KCl). These results indicate a similar composition, depositional sequence, and depth as the potash at the historic Unity Mine in Saskatchewan, which reported grades up to 22% K₂O.

The Company has not yet drill tested the North Block.

In late December 2011, the Company drilled Well GZD100 MEDHAT 8-36-19-01W4 on the South Block. Coring commenced at 1,642 m below surface and visible potash minerals were observed in the core for the interval between 1,645.5 m and 1,670.85 m. The well cored a thick zone of Prairie Evaporite Formation salt intersecting a wide, low grade potash zone (22.35 m) at a depth of 1,648.5 m and intersected two zones of sylvite mineralization (Upper and Lower Zones) within what is interpreted to be the Patience Lake Member.

Analytical results of the drill core included weighted average grades of:

- 2.62% K₂O (4.15% KCl equiv.) over 22.35 m at a depth of 1,648.5 m for the low grade zone;
- 6.4% K₂O (10.14% KCl equiv.) over 4.55 m, which included 13.0% K₂O (20.58% KCl equiv.) over 1.15 m for the Upper Zone and 2.45% K₂O (3.88% KCl equiv.) over 3.3 m for the Lower Zone, and;
- a 0.3 m core sample assaying at 31.1% K₂O (49.2% KCl equiv.), the best result in the core.

The above intersections seem to occur at a similar depth to the Belle Plaine Potash Solution Mine near Regina, Saskatchewan and the Company believes that a potential potash resource on the North Block would consist of sylvite at a depth ideally suited to solution mining, a lower cost and lower environmental-footprint potash mining method than conventional potash mining methods.

The Company and its 50% partner on the Provost Block near Provost, Alberta (south of the North Block) conducted a drill program on the Provost Block in late 2011. One well was drilled indicating a wide, low-grade potash zone over 23.3 m with two higher grade zones within, including up to 6.58% K₂O (10.41% KCl equiv.) over 0.75 m.

Subject to financing or a potential joint venture, the Company has planned an exploration program with an initial stage with an estimated cost of approximately \$5.0 million in order to drill approximately 5,000 m in three wells, conduct water collection and sampling, and baseline scoping studies on the North Block in order to verify and build upon the information from VCO #15. Subject to results and financing, the Company then plans a further program to progress to a resource stage in association with appropriate metallurgical and engineering studies.

Test well reclamation

The Company has an outstanding environmental rehabilitation provision related to the rehabilitation of two exploratory potash test wells in Southern Alberta, recorded in the consolidated statement of financial position as a provision. Based on information currently available, the Company has recorded a provision in the (future) amount of \$195,000 (July 31, 2016 - \$195,000), discounted to \$192,821 (July 31, 2016 - \$192,821), being management's estimate of the well site reclamation. The Company has determined the discounted value with reference to a risk free rate of 1.13% and a settlement date of August 1, 2017. The estimated date for completion of the reclamation is under review by management. The Company must make annual payments, considered insignificant by the Company, to the surface land owners associated with the surface leases for the well site until reclamation has been completed.

The Company has deposited with relevant regulatory authorities a security deposit related to the Company's potash exploratory drilling of \$30,185 (July 31, 2016 - \$30,071), including accumulated interest, held in trust by a financial institution on behalf of the Company in an interest-bearing account. This deposit has been classified as a non-current deposit on the consolidated statement of financial position as it is not available until reclamation is complete.

Alberta Diamond Project

Buffalo Head Hills area, North-central Alberta

The Company's Alberta Diamond Project was its flagship project from inception in 2004 until 2008, when the market appetite for diamond projects weakened significantly. In the last exploration program conducted by Grizzly in 2008, the Company discovered three new diamond-bearing kimberlites, however the Company had not followed up on these discoveries to date as its focus had shifted to the Greenwood Project and the Alberta Potash Project.

Renewed interest in diamond exploration has prompted the Company to re-evaluate its Alberta Diamond Project. In the year ended July 31, 2016, the Company conducted exploration totaling \$66,915 on the Alberta Diamonds Project, having conducted a number of ground geophysical surveys on its diamond targets surrounding the K6, K11, K14, K91 and K252 kimberlite pipes. These costs, initially capitalized in Mineral properties on the consolidated statement of financial position, have been impaired and the costs are included in the year's net loss. This exploration will allow the Company to retain its interest in the mineral rights underlying the Alberta Diamond properties for several additional years.

Risks and Uncertainties

Mining risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sales of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.
- Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

No Operating History and Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its cash resources are sufficient to cover its projected funding requirements for the remainder of the fiscal year. Additional funds will be required for general operating costs, and for further exploration to attempt to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. ***Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.***

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any keyman life insurance on any of its executives. The directors and officers of the Company only devote part of their time to the affairs of the Company.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Company's securities should not constitute a major portion of an investor's portfolio.

Outlook

The Company's primary focus for the foreseeable future will be on raising sufficient capital to continue corporate operations and advancing the exploration and development of its current projects and investigating other prospects for prospective addition to the Company's mineral properties, concurrent with evaluating strategies to enhance shareholder value. The ability of the Company to do so is contingent upon its ongoing ability to raise capital primarily through equity financing.

Qualified Person

The disclosures contained in this MD&A regarding the Company's mineral properties has been prepared by, or under the supervision of, Michael Dufresne, M.Sc., P.Geol., a principal of APEX Geoscience Ltd. and a Qualified Person for the purposes of National Instrument 43-101.

Approval

The Audit Committee of the Board of Directors of the Company approved the disclosure in this MD&A on behalf of the Board on March 31, 2016.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.