

HIGHBURY PROJECTS INC.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

(Expressed in Canadian Dollars)

Highbury Projects Inc.
Management's Discussion and Analysis
For the year ended December 31, 2015

DATE

This management discussion and analysis ("MD&A") of Highbury Projects Inc.'s ("Highbury" or the "Company") financial position and results of operations for the year ended December 31, 2015 is prepared as at April 25, 2016. This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2015 and the supporting notes. These audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to Highbury's activities can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OVERALL PERFORMANCE

Highbury was incorporated on May 13, 2005 and was listed on the TSX Venture Exchange ("Exchange") on October 28, 2005 as a capital pool company ("CPC") under Exchange Policy 2.4.

The Company's option agreement with Full Metal Minerals ("FMM") was approved as a Qualifying Transaction (QT) and the final exchange bulletin to that effect was issued by the exchange on November 5, 2007.

The principal business of Highbury is the exploration and development of the Moore Creek property in Alaska and any other exploration and evaluation assets and evaluation properties that Highbury may later acquire. Highbury has designated the property as its "Principal Property" for the purposes of Exchange Policy. Highbury has carried out the recommendations on exploration program contained in the NI 43-101 Technical Report "Moore Creek prospect west-central Alaska" prepared by Dr. Charles C Hawley on July 24, 2007, using the available funds.

Investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development. The Company has no active business or assets other than cash. There can be no assurance that an active and liquid market for the common shares will develop and investors may find it difficult to resell the common shares.

EXPLORATION OVERVIEW

Moore Creek Property

On August 1st, 2007 Highbury entered into a Letter Agreement with Full Metal Minerals Ltd. (FMM) whereby Highbury can earn a 60% interest in the Moore Creek Property, located in the Kuskokwim region of West Central Alaska.

Highbury can earn a 60% interest in the Property by incurring US\$2.1 million in exploration expenditures (US\$200,000 first year), issuing 50,000 shares, and paying FMM \$50,000 cash, and reimbursing FMM for US\$10,000 for payments made under the Underlying Option on or before September 15, 2007. FMM will operate during the first two years of the Agreement. The companies completed a surface trenching and airborne geophysical program during the summer of 2007. FMM has an Option to earn a 100% interest in the Property from the underlying property owner Moore Creek Mining LLC.

During the year ended December 31, 2009, the Company signed a joint venture agreement dated February 19, 2009 with FMM whereby the Company has completed all its exploration expenditures to earn its 60% ownership interest in the Moore Creek Property which included approximately \$1,700,000 of exploration costs. All future obligations and expenditures incurred will now be prorated between the Company and FMM including annual mineral rights fees and other costs to maintain the property in good standing. FMM will continue to be the operators of the property and the Company will reimburse its share of the expenditures plus a ten (10%) percent administrative charge to FMM. The Company was notified by FMM that it would no longer be the operator and incur any further costs on the Moore Creek Property. In order to keep the option in good standing, the Company is required to make annual option payments of US\$50,000 (in March 2015, the payment for 2015 was amended to be US\$10,000) which is adjusted for inflation starting in 2018. The Property is subject to a 1.5% net smelter royalty.

Moore Creek – Exploration Program

The 2008 drill exploration program includes mapping, sampling, trenching and auger drilling to test additional targets on the property. The 2007 – 2008 exploration programs at the Moore Creek property were supervised by Dr. David Hedderly-Smith, PhD, PG, consultant for Highbury, and Robert McLeod, P.Geo, Vice-President of Exploration and Chief Executive Officer for FMM. Both are qualified persons as defined by NI 43-101.

An updated report incorporating the 2008 work program prepared by Robert McLeod P.Geo, Vice President Exploration, FMM and dated April 10, 2009 amended July 8, 2009 has been filed on SEDAR.

Moore Creek Property – Future Developments

In light of the results of the 2008 summer exploration campaign and the economic conditions, during the past few years, the Company has cut operating expenses in order to preserve cash. As such, the further exploration program at Moore Creek was reduced from that previously planned in summer of 2009. The previous plan included mapping, sampling, trenching and auger drilling to test additional targets on the property.

At the same time, Highbury is evaluating acquisition opportunities that may enhance and improve the Company's exploration portfolio.

During the year ended December 31, 2014, the Company decided not to continue exploration of the Moore Creek Property, but maintained the claims. As a result of the Company's management's decision not to conduct any significant work on the Moore Creek Property in the near future, the Company wrote off the

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capitalized costs of \$2,212,041 associated with the Moore Creek Property during the year ended December 31, 2014.

During the year ended December 31, 2015, the Company incurred \$63,631 in option payments which were capitalized as exploration and evaluation costs (December 31, 2014 – \$37,967). The option payments were subsequently written off to the statement of loss and comprehensive loss due to management's decision not to conduct any significant work in the near future.

CHANGES IN MANAGEMENT AND BOARD

Effective June 15, 2015 the following changes were made to the Company's Board of Directors and management:

- At the Company's annual general meeting, the Board proposed the number of directors be reduced to three (3). As a result, Aziz Shariff and David Strang did not stand for re-election to the Board.
- Anish Sunderji replaced Aziz Shariff as the Chairman of the Company.
- Alnesh Mohan replaced Anish Sunderji as Corporate Secretary and Aziz Shariff as the Chief Financial Officer of the Company.

RESULTS OF OPERATIONS

Three months ended December 31, 2015 compared with Three months ended December 31, 2014

The Company is in an exploration stage and has no revenue from operations. During the three months ended December 31, 2015, the Company recorded a net loss of \$57,349, a decrease of \$2,168,257, compared to a net loss of \$2,225,606 during the three months ended December 31, 2014.

The decrease is primarily the result of the impairment of exploration and evaluation assets of \$2,212,041 during the three months ended December 31, 2014 compared to \$43,328 during the three months ended December 31, 2015.

During the three months ended December 31, 2015, the Company also incurred the following expenditures:

- Professional fees of \$13,638 (December 31, 2014 – \$8,192); and
- Transfer agent fees of \$981 (December 31, 2014 – \$505).

Year ended December 31, 2015 compared with Year ended December 31, 2014

The Company is in an exploration stage and has no revenue from operations. During the year ended December 31, 2015, the Company recorded a net loss of \$132,957, a decrease of \$2,147,761, compared to a net loss of \$2,280,718 during the year ended December 31, 2014.

The decrease is primarily the result of the impairment of exploration and evaluation assets of \$2,212,041 during the year ended December 31, 2014 compared to \$63,631 during the year ended December 31, 2015.

During the year ended December 31, 2015, the Company also incurred the following expenditures:

- Professional fees of \$49,820 (December 31, 2014 – \$36,136);
- Office expenses of \$9,510 (December 31, 2014 – \$13,010);
- Transfer agent fees of \$8,572 (December 31, 2014 – \$6,698);
- TSX listing and filing fees of \$5,700 (December 31, 2014 – \$6,200); and

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- Salaries and wages of \$nil (December 31, 2014 – \$12,852)

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Finance income	\$ 792	\$ 794	\$ 1,248	\$ 1,273
Operating expenses	(58,141)	(24,825)	(23,476)	(30,622)
Net loss	(57,349)	(24,031)	(22,228)	(29,349)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	Three months ended			
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Finance income	\$ 1,600	\$ 1,739	\$ 1,718	\$ 1,375
Operating expenses	(15,165)	(14,960)	(19,359)	(25,625)
Net loss	(2,225,606)	(13,221)	(17,641)	(24,250)
Basic and diluted loss per share	\$ (0.23)	\$ (0.00)	\$ (0.00)	\$ (0.01)

SELECTED ANNUAL INFORMATION

The following table contains summarized figure for the most recent three fiscal years and are based on audited financial statements of the Company:

	For the years ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Interest income	\$ 4,107	\$ 6,432	\$ 5,177
Operating costs	137,064	75,109	74,072
Net loss	(132,957)	(2,280,718)	(68,895)
Basic and diluted loss per share	\$ (0.01)	\$ (0.24)	\$ (0.01)

As at:	December 31, 2015	December 31, 2014	December 31, 2013
Total assets	\$ 451,880	\$ 578,555	\$ 2,858,968
Long-term financial liabilities	Nil	Nil	Nil
Cash dividend per share	Nil	Nil	Nil

LIQUIDITY / CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

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There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

As at December 31, 2015, the Company had cash and cash equivalents of \$441,906 compared with \$565,058 as at December 31, 2014. This decrease is due to ongoing administrative costs and professional and legal fees incurred to maintain the company in good standing. During the year ended December 31, 2015, the Company incurred the following significant expenses:

- Professional fees of \$49,820 (December 31, 2014 – \$36,136)
- Office expenses of \$9,510 (December 31, 2014 – \$13,010)
- Salaries and wages of \$nil (December 31, 2014 – \$12,852)
- Transfer agent fees of \$8,572 (December 31, 2014 – \$6,698)
- Listing and filing fees of \$5,700 (December 31, 2014 – \$6,200)

The Company incurred \$63,631 in option payments on its Moore Creek property in Alaska during the year ended December 31, 2015 (December 31, 2014 – \$37,967).

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company has sufficient working capital at this time to meet its ongoing financial obligations.

OUTSTANDING SHARE DATA

As of December 31, 2015 and the date of this MD&A, there were 9,550,000 (December 31, 2014 – 9,550,000) common shares outstanding.

No options were granted or exercised during the year ended December 31, 2015 and through to the date of this MD&A.

There were no warrants and options outstanding as of the date of this MD&A and December 31, 2015.

RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The Company did not engage in any transactions directly with key management personnel.

The Company entered into the following transactions with related parties:

- a) Rent and administrative services of \$9,338, (including rent – \$7,218 and office expenses – \$2,120) (December 31, 2014 – \$25,236 including rent – \$9,378, salaries – \$12,852 and office expenses – \$3,006) was provided to a company with common directors. Accounts payable and accrued liabilities as at December 31, 2015 included \$3,563 which was received in advance to a company with common directors (December 31, 2014 – \$163).
- b) Rent and administrative services of \$9,338, (including rent – \$7,218 and office expenses – \$2,120) (December 31, 2014 – \$25,236 including rent – \$9,378, salaries – \$12,852 and office expenses – \$3,006) was provided to a company with common directors. Accounts payable and accrued liabilities as at December 31,

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2015 included \$3,563 which was received in advance to a company with common directors (December 31, 2014 – \$163).

- c) The Company paid \$19,717 (December 31, 2014 – \$nil) for accounting and administrative services to Quantum Advisory Partners LLP whose incorporated partner is the Company's Chief Financial Officer and Corporate Secretary. Fees have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

COMMITMENTS

The Company is obligated to pay its share of the prorated expenditures on Moore Creek property to keep it in good standing as stated in Note 7 of the financial statements for the year ended December 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

No disclosure necessary.

CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer have instituted a system of disclosure controls for the Corporation to ensure proper and complete disclosure of material information. All documents are circulated to responsible members of management and the board of directors according to the disclosure time-lines contained within the disclosure controls policy. The disclosure controls conforms to the Company's Corporate Governance policies.

The Chief Executive Officer and Chief Financial Officer also have designed internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the integrity and reliability of financial reporting information and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. After evaluating the effectiveness of the Company's disclosure controls and procedures, the Officers have concluded that the Company's disclosure controls and procedures are effective to ensure that material information relating to the Company is made known to them by others within the Company during the period.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified. The Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for the Company.

The Chief Executive Officer and the Chief Financial Officer have concluded, based on an evaluation as of December 31, 2015, that the disclosure controls and procedures for the Company are effective to provide reasonable assurance that material information related to the Company is disseminated in a timely manner. It should be noted that while the Company's Chief Executive Officer and the Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that the system of internal control are effective, they do not guarantee that the disclosure controls and procedures will prevent all

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errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

CRITICAL ACCOUNTING ESTIMATES

The financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Accounting Standards adopted during the period

Effective January 1, 2015, the following standards were adopted but have had no material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2015.
- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

a) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts receivable, and accounts payable and accrued liabilities, approximate their carrying value, which is the amount recorded on the statement of financial position. The

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Company's other financial instruments, cash and cash equivalents, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

b) Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are all held at large Canadian financial institution in interest bearing accounts. The Company has no investment in asset-backed commercial paper.

The Company's accounts receivable consist mainly of GST receivable from the government of Canada.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk related to its cash and cash equivalents and accounts receivable is negligible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained sufficient cash and cash equivalents at December 31, 2015 in the amount of \$441,906, in order to meet short-term operating requirements. At December 31, 2015, the Company had accounts payable and accrued liabilities of \$21,539. All accounts payable and accrued liabilities are current.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2015.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on cash and cash equivalents outstanding at December 31, 2015 would result in a \$449 change to the Company's net loss for the year ended December 31, 2015

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Foreign Currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash and cash equivalents, and accounts payable and accrued liabilities are held in Canadian dollars ("CAD") and US dollars ("USD"); therefore, USD accounts are subject to fluctuation against the Canadian dollar.

The Company had the following balances in Canadian and foreign currencies as at December 31, 2015:

	in Canadian dollars	in US dollars
Cash and cash equivalents	440,057	1,333
Accounts receivable	4,139	-
Accounts payable and accrued liabilities	(21,539)	-
Total foreign currencies	422,657	1,333
Foreign currency rate	1.000	1.3869
Equivalent to Canadian dollars	\$ 422,657	\$ 1,849

Based on the above net exposures as at December 31, 2015, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD would increase/ decrease profit or loss by \$185.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER MD&A REQUIREMENTS

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Risks and uncertainties

Investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.