JAZZ RESOURCES INC.
THIRD QUARTER ENDED MARCH 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Note to Readers

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated interim financial statements of Jazz Resources Inc. (the "Company") for the third quarter ended March 31, 2017 and with the audited financial statements for the year ended June 30, 2016. Those consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

1.1 Date

This MD&A is prepared as of May 26, 2017. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. The Canadian dollar is the functional currency of both the parent company and its wholly owned subsidiary.

1.2 Overview

The Company is a junior mining resource company focused on acquiring, exploring and developing mineral properties. The primary focus of the Company is the development of the Teddy Glacier and Spider properties located in the Revelstoke mining district of British Columbia, Canada.

The Company has shipped 16 containers of raw ore from a portion of the Teddy Glacier bulk sample to China and full payment (100%) has been received.

The Company has plans to investigate the Spider property with the intent of reopening the mine. The Company has already obtained a permit to continue exploring, excavate, and trench a new vein near the Spider Mine.

Keystone Environmental was engaged to complete several environmental studies at the former Spider Mine mill site at Camborne, BC (Camborne Mill). The study has been completed and the Company has obtained a conditional permit for a pilot mill and tailings pond from the BC Ministry of Energy and Mines. The Company has entered the new format "Mine Development Review Committee" process which will result in a new permit. The mill will be used to process bulk samples from the Teddy Glacier property and mineralization from the Spider Mine. The Company also retained Associated Engineering and Aztec Geoscience and was successful in increasing the load capacity of the Fish River Canyon Bridge.

The Company has signed a contract with Neolife Holdings Inc. to supply a 2-stage flotation mill to the Company's Camborne site. Neolife will process the existing Jazz stockpile for a fixed cost per tonne. The components of the mill have arrived on site and have been assembled. Considerable work was completed on the Teddy Glacier road and a program of geochemistry was completed on the Teddy Glacier Property.

Previously, in April 2015 the Company arranged a $100,000 loan at 25% interest which allowed the Company to advance the milling and crushing program at the Camborne Mill site. In August 2015, the Company arranged a second loan for $75,000 at 20% interest.

In 2016, the Company completed a $325,000 private placement consisting of 3,250,000 units at a price of $0.10 per unit. In January 2017 the Company completed a $123,000 of 1,537,500 units at $0.08 per unit. The proceeds will be used to prepare the Camborne mill for production and develop a new tailings facility at the Camborne site. The funds will also be used for working capital and to maintain the Teddy Glacier road in anticipation of hauling ore down to the Camborne mill site during 2017.

1.3 Selected Quarterly Information

	Third quarter ended March 31, 2017	**Third quarter ended March 31, 2016**
	$	$
Total revenues	Nil	Nil
General and administrative expenses	59,629	71,175
(Loss) income for the period	(59,629)	(71,175)
(Loss) income per share – basic and diluted	(0.00)	(0.00)
Total assets	1,443,218	1,357,243
Total financial liabilities	1,461,707	1,364,515
Cash dividends declared – per share	Nil	Nil

The Company had net loss of $59,629 for the quarter ended March 31, 2017 compared to a net loss of $71,175 for the quarter ended March 31, 2016 due primarily to an decrease in consulting fees. The increase in total assets from the previous period was largely due to an increase in mineral properties. The increase in liabilities was caused by an increase in accounts payable.

1.4 Results of Operations for the quarter ended March 31, 2017.

This review of the results of operations should be read in conjunction with the unaudited consolidated interim financial statements of the Company for the quarter ended March 31, 2017.

Overview

For the quarter ended March 31, 2017, the Company had a net loss of $59,629 compared to a net loss of $71,175 for the quarter ended March 31, 2016.

Revenues

The Company had no revenues during the quarter ended March 31, 2017.

Expenses

General and administrative expenses totaled $59,629 for the quarter. The three largest expense items were, interest on loans $10,000, consulting fees of $31,207, and office and miscellaneous of $14,395. These three items accounted for approximately 93% of the Company's total general and administrative expenses.

Total assets

Total assets of the Company as at March 31, 2017 were $1,443,218, an increase of $63,218 from $1,380,000 as at June 30, 2016, largely as a result of an increase in mineral properties.

1.5 Summary of Quarterly Results

	Three Months Ended			
	March 31 2017 $	**December 31 2016 $**	**September 30 2016 $**	**June 30 2016 $**
Total Revenues	**Nil**	**Nil**	**Nil**	**Nil**
Net Income (Loss)	**(59,629)**	**(40,256)**	**(22,564)**	**(44,276)**
Net Income (Loss) per share (basic and diluted)	**(0.00)**	**(0.00)**	**(0.00)**	**(0.01)**

	March 31 2016 $	**December 31 2015 $**	**September 30 2015 $**	**June 30 2015 $**
Total Revenues	**Nil**	**Nil**	**Nil**	**Nil**
Net Income (Loss)	**(71,175)**	**(27,158)**	**(11,549)**	**229,743**
Net Income (Loss) per share (basic and diluted)	**(0.00)**	**(0.00)**	**(0.00)**	**(0.01)**

1.6 Liquidity

Cash Flow from Operations

The Company recorded a net loss of $59,629 for the quarter ended March 31, 2017, compared to a net loss of $71,175 for the quarter ended March 31, 2016. The smaller net loss was caused primarily by a decrease in consulting fees.

Working Capital

As at March 31, 2017, the Company had $70,218 cash on hand and a working capital deficiency of $985,542 as compared to working capital deficiency of $834,872 at June 30, 2016.

The increase in working capital deficiency was caused by a decrease in cash. As at March 31, 2017 the Company had trade accounts payable of $361,445 and amounts due to related parties of $1,000,262.

Debt and Other Obligations

In April 2015, the Company arranged a $100,000 loan at 25% interest which allowed the Company to advance the milling and crushing program at the Camborne Mill site. In August 2015, the Company arranged a second loan for $75,000 at 20% interest.

Outlook

At present, the Company has no active operations. The future of the Company is dependent on its ability to raise sufficient funds to carry out its exploration activities.

1.7 Capital Resources

The Company is dependent on the sale of share capital and the receipt of related party loans in order to finance its activities.

There were 1,537,500 common shares issued during the quarter ended March 31, 2017.

1.8 Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements.

1.9 Transactions with Related Parties

As at March 31, 2017, a total of $1,100,262 was owing to related parties which comprise of the following:

1) $60,000 (2016 - $60,000) is owed to a shareholder of the Company.
2) $36,000 (2016 - $36,000) is owed to a former director of the Company. During the year ended June 30, 2015, the Company entered into a debt restructuring agreement with the former director of the Company resulting in a gain on forgiveness of $24,000.
3) $200,000 (2016 - $200,000) is owed to the estate of a former director of the Company. During the year ended June 30, 2015, the Company entered into a debt restructuring agreement with the estate of the former director of the Company resulting in a gain on forgiveness of $157,518.
4) $12,704 (2016 - $11,704) is owed to an officer of the Company.
5) $75,000 (2016 - $75,000) is owed to the estate of the former President of the Company. During the year ended June 30, 2015, the estate of the former President of the Company entered into a debt assignment agreement with a company owned by the former President of the Company resulting in $663,380 of debt to be assigned to a company owned by the President of the Company.
6) $310,000 (2016 - $295,000) is owed to the President of the Company. Of this amount, $100,000 is owing pursuant to a loan agreement, bears interest at the rate of 25% per annum and is repayable on or before April 2, 2017, $75,000 is owing pursuant to an additional loan agreement, bears interest at the rate of 20% per annum and is repayable on or before August 5, 2017 (Note 14), $100,000 is owing pursuant to an additional loan agreement, does not bear interest and is due on demand. In respect of the $75,000 loan made by the officer; the Company issued 83,000 bonus shares per the terms of the loan agreement, which were valued at $14,940 ($0.18 per share). $20,000 in interest has been accrued on the balances owing as at June 30, 2016, and all of the loans received are unsecured. During the year ended June 30, 2015, the officer entered into a debt reassignment agreement with a company owned by the President of the Company resulting in $100,000 of debt to be assigned to the officer. During the year ended June 30, 2016 $82,230 was paid or accrued for site exploration costs and was included in deferred exploration costs.
7) $406,558 (2016 - $406,558) is owed to a company owned by the former President of the Company. During the year ended June 30, 2015, the Company entered into a debt restructuring agreement with the company owned by the former President of the Company resulting in a gain on forgiveness of debt of $158,000. During the year ended June 30, 2016 $135,738 in site exploration costs were paid or accrued and included as deferred exploration costs.

As at March 31, 2017, $300,683 (2016 - $233,046) owed to a company owned by the former President of the Company was included in the accounts payable and accrued liabilities. As at March 31, 2017 $32,460 (2016 - $51,140) is owed to the President of the Company and is included in accounts payable and accrued liabilities. These amounts are not subject to the repayment schedule discussed below.

Pursuant to an agreement dated April 30, 2015, the amounts owing above to the company owned by the former President of the Company and the estate of a former director of the Company are non-interest bearing and are repayable 25% by June 30, 2016, 50% by June 30, 2017, and 25% by June 30, 2018. The June 30, 2016 repayment was not made, and the Company is currently renegotiating a revised payment date.

All other amounts are non-interest bearing and have no fixed terms of repayment.

During the year ended June 30, 2016, 250,000 stock options were granted to directors and officers of the Company with a fair value of $23,455 (2015 – 1,250,000 stock options with a fair value of $112,438).

1.10 Fourth Quarter Adjustments

None.

1.11 Proposed Transactions

None.

1.12 Future Accounting Standards and Interpretations

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after January 1, 2015 or later years. None of these are expected to have a significant effect on the financial statements:

IFRS 7, *Financial Instruments – Disclosure*

IFRS 7 has been amended to require additional disclosures on transition from IAS 39 to IFRS 9 and is effective for annual periods beginning on or after January 1, 2015.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017.

In May 2015, IASB proposed to defer the effective date to January 1, 2018.

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company is currently assessing whether or not the adoption of the standards above will have a material effect on the Company's future financial statements.

1.13 Financial Instruments and Risk Management

The Company's financial instruments consist of cash, amounts receivable, security deposits, accounts payable and accrued liabilities and amounts due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2016, the Company had a cash balance of $80,520 to settle current liabilities of $1,193,467. There is a risk that the Company may not be able to fulfill its obligation when a liability is due. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms with the exception of amounts due to related parties and loans provided by an officer of the Company discussed above in Transactions with Related Parties.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has $33,500 of security deposits earning interest at an average rate of 0.57% per annum. Pursuant to agreements with an officer of the Company, the Company has related party loans of $100,000 bearing interest at 25% and $75,000 bearing interest at 20% as at September 30, 2016.

(b) Foreign currency risk

The Company does not have assets or liabilities denominated in a foreign currency and therefore is not exposed to foreign currency risk.

(c) 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.

1.14 Other MD&A Requirements

Additional Information

Additional information about the Company is available on SEDAR at **www.sedar.com**.

Share Capital

As of March 31, 2017, the Company had 19,151,605 common shares outstanding and 1,900,000 stock options outstanding.

General and Administrative Expenses

	Third quarter Ended March 31, 2017	Third quarter Ended March 31, 2016
Amortization	**$ 118**	**$ 162**
Consulting fees	**31,207**	**43,969**
Filing fees	**-**	**-**
Interest	**10,000**	**10,000**
Office and miscellaneous	**14,3395**	**13,396**
Professional fees	**2,000**	**3,057**
Salaries and benefits	**-**	**-**
Share-based compensation	**-**	**-**
Transfer agent fees	**1,908**	**590**
Travel and entertainment	**-**	**-**
	$ **59,629**	$ **71,175**

Mineral Property and Deferred Exploration Costs

The following information pertains to the Company's 100% interest in mining claims located in the Revelstoke Mining Division of B.C.

	Third quarter Ended March 31, 2017	Third quarter Ended March 31, 2016
Mineral properties and deferred exploration costs, beginning of quarter	$ 1,143,741	$ 984,839
Additions during the quarter		
Acquisition costs		
Contractors		
Property and mining taxes		
Site exploration	14,987	66,114
Government assistance & other income	-----	------
Mineral properties and deferred exploration costs, end of quarter	$ 1,158,728	$ 1,050,953

Mineral Property and Deferred Exploration Costs by Property as at March 31, 2017

	Teddy Glacier	Spider	Total
Deferred exploration costs, beginning of quarter	$ 673,524	$ 470,217	$ 1,143,741
Additions during the quarter			
Property taxes	-	-	-
Contractors	-	-	-
Site exploration	(8,700)	23,687	14,987
Government subsidies	-	-	-
Deferred exploration costs, end of quarter	$ 664,824	$ 493,904	$ 1,158,728

Events after the Reporting Period

none

Outlook

The Company’s objective is to continue exploration of its mineral property interests.

Forward Looking Statements

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company’s intentions, plans, expectations and beliefs, and are subject to risks, uncertainties, and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.