

**SOKOMAN IRON CORP.**  
**Management's Discussion and Analysis**  
**For the Period Ended December 31, 2015**  
(Form 51-102F1)

This management discussion and analysis ("MD&A") has been prepared based on information available to Sokoman Iron Corp. ("Sokoman" or the "Company") as at February 19, 2016. The MD&A of the operating results and financial condition of the Company for the period ended December 31, 2015, should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the year ended June 30, 2015 and June 30, 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS") for audited financial statements, and the annual MD&A for the year ended June 30, 2015. Additional information relating to the Company may be found under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The technical information of this MD&A has been reviewed and approved by Mr. Timothy Froude, P. Geo. and a Qualified Person as defined by National Instrument 43-101.

**Management's Assessment of Internal Control Over Financial Reporting ("ICFR")**

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

**Forward-looking Statements**

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements

Additional information related to the Company is available for view on the Company's website located at [www.sokomaniron.com](http://www.sokomaniron.com).

**NATURE OF OPERATIONS AND GOING CONCERN**

Sokoman is a public Company listed on the TSX Venture Exchange (TSXV-SIC) and operating under the laws of the Province of British Columbia. The Company is an exploration-stage Company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered head office is located at 7735 Leslie Road West, Puslinch, ON N0B 2J0

These consolidated interim 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. As at December 31, 2015, the Company has not generated any revenues from operations, has an accumulated deficit of \$10,749,252 (June 30, 2014 - \$10,694,736) and has a working capital deficit of \$57,860 (June 30, 2014 - \$4,990). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Financial Statements were approved for issuance by the Company's Board of Directors on February 19, 2016.

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**DEVELOPMENTS DURING AND SUBSEQUENT TO THE PERIOD ENDED December 31, 2015**

**On November 13, 2015** the Company announced it received significant channel sampling results from its 100% owned Startrek Antimony Project, 20 kilometers southeast of Gander and 70 road kilometers northeast of the idle Beaver Brook Antimony Mine currently under care and maintenance operations and owned by China's Hunan Nonferrous Metals Corporation Limited. The recently completed trenching program consisted of four trenches ranging from 25 to 50 meters in length testing the strongest B-horizon soil sample results from the 2014 soil sampling program. Two of the four trenches (Trenches 2 and 3) which were testing multi station anomalies ranging from 247 to 500 ppm Sb, failed to reach bedrock and did not explain the anomalous results. Trenching on the 1900 ppm Sb soil anomaly (Trench 1) successfully reached bedrock and exposed locally sulphide enriched (pyrite, stibnite, arsenopyrite) black shale over a minimum of 8 meters to the end of the trench (Red Fox Zone). Mineralization observed in washed bedrock consists of thin stringers and bands of semi-massive to massive stibnite/pyrite/arsenopyrite ranging from 1 mm to several centimeters in thickness hosted in black carbonaceous shale. Saw cut channel sampling results over the exposed mineralization returned the following results;

**Trench 1: 1.45% Sb over 3.25 meters including 3.10% Sb over 1.25 meters;**

The fourth trench, testing the strongest soil anomaly (4500 ppm Sb), exposed strongly fractured and deeply weathered shale and slate, but only returned weakly anomalous mineralization including 134 ppm Sb over 4.0 meters. A distinct linear feature immediately adjacent to the 4500 ppm Sb soil anomaly and the end of the trench, could not be tested due to proximity to a small stream, therefore the anomaly remains inadequately tested.

The trenching program focused on soil geochemical results from the 2014 soil sampling program which returned antimony (Sb) values ranging from below detection (5 ppm) to a maximum of 4500 ppm Sb (0.45% Sb). A total of 34 soil samples (out of 110 total soil samples) returned values in excess of 100 ppm Sb. In addition, a total of nine samples returned values greater than 20 ppb Au to a maximum of 181 ppb Au. The anomalous Au values correspond closely with moderate to strong Sb values. The coincident Sb and Au anomaly is currently 500 meters in length and up to 100 meters in width and open to the north and south. The grid was centered on a zone of Sb bearing sub-crop located by the property vendors in 2013 that returned Sb values in grab samples up to 1.83% Sb

The channel samples were submitted to Eastern Analytical Labs in Springdale, NL for a 34 element ICP scan and gold (fire assay) analysis. Ore grade analysis for Sb was completed where required. Weakly anomalous gold was also reported from the Red Fox Zone with a maximum of 68 ppb Au reported. Gold values up to 1.78 g/t Au, has been reported by previous workers in grab samples from elsewhere on the property.

The company has reached a tentative agreement pertaining to the sale of its 0.5% NSR royalty on a portion of the Burin Property optioned to Newfluorex Ltd., to Canada Fluorspar Inc. Terms of the deal will be announced once payment has been received.

**Results of Operations**

The Company has no operating revenues and relies on external financings to generate capital. Because of its activities, Sokoman incurs net losses. For the period ended December 31, 2015, Sokoman incurred a loss of \$54,515 versus a loss of \$61,545 for the period ended December 31, 2014. Professional fees were significantly lower during the current period compared to the 2014 period.

The Company routinely monitors its operations and costs associated with those operations, in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. For the period ended December 31, 2015, Sokoman reported total general and administrative expenses ("G&A") of \$21,751 compared to \$28,797 in 2014.

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The following schedule describes the main components of G&A for the periods ended December 31, 2015 and December 31, 2014:

<b>Period ended December 31</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Promotion	2,457	2,682
Filing fees	1,294	3,190
Shareholder relations	3,624	-
Professional fees	9,000	17,500
Office and general	224	1,233
Management fees	5,000	4,000
Amortization	152	192
	<b>21,751</b>	<b>28,797</b>

General and administration expenses increased due to annual shareholder meeting expenses.

	QUARTER ENDED			
	31-Dec	30-Sep	30-Jun	31-Mar
	2015	2015	2015	2015
Total assets	457,228	501,440	514,528	603,222
Mineral properties	444,020	444,020	444,020	504,020
Working capital	(57,860)	(27,757)	(4,990)	23,422
Shareholders' equity	398,149	429,059	452,665	542,121
Net loss	31,017	23,605	29,457	33,756
Loss per share	0.001	0.003	0.001	0.002

	QUARTER ENDED			
	31-Dec	30-Sep	30-Jun	31-Mar
	2014	2014	2014	2014
Total assets	614,958	512,427	534,732	573,415
Mineral properties	504,020	404,020	404,020	404,020
Working capital	46,101	30,789	58,778	80,687
Shareholders' equity	565,877	451,643	487,422	511,493
Net loss	25,766	35,779	24,071	126,143
Loss per share	0.002	0.003	0.002	0.009

**Liquidity and Capital Resources**

As at December 31, 2015, the Company had cash and cash equivalents of \$1,219 (June 30, 2015 - \$56,904) and a working capital deficit of \$57,860 (June 30, 2015 deficit - \$4,959).

The ability of the Company to continue operations and carry out further desired exploration activities in fiscal 2016 is dependent upon obtaining additional financing and/or selling or joint venturing its exploration properties. The Company is actively assessing its opportunities in this regard and will decide its course of action as its needs arise.

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**Selected Annual Information**

The following table sets forth a summary of the financial results for the years ended June 30, 2015, 2014 and 2013:

<b>Years ended June 30 (CDN \$)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net loss	108,503	451,865	2,121,874
Basic loss per share	0.007	0.035	0.022
Total assets	584,594	534,732	807,365

The Company is an exploration stage Company with its focus on identifying, acquiring and exploring mineral interests. To date, the Company has not been in a position to derive any revenues from its projects.

Acquisition costs of mineral rights and option payments are capitalized until the properties are abandoned or the rights expired. Exploration expenditures, however, are expensed and charged to operations until such time proven reserves are determined. To date, the Company has not discovered any such reserves.

**Mineral Properties**

**Startrek**

The Company acquired 100% interest in two antimony/gold properties in northeastern Newfoundland, the Star Trek and Antimony Ridge properties. The Company has issued two million common shares of Sokoman Iron Corp. The property is subject to a 2-per-cent net smelter returns royalty to the vendors. This acquisition agreement is with parties related to a Director. The company completed ground magnetometer and soil geochemical surveying in the first quarter of 2015 and has since received the analytical results. The survey outlined a significant antimony-in-soil geochemical anomaly over 500 meters in length and within which samples returned up to 4500 ppm antimony. In September, 2015, the company initiated a trenching program in an effort to explain some of the anomalies. Two of the four trenches failed to reach bedrock and therefore failed to explain the soil anomalies. A third trench reached bedrock in the vicinity of the 4500 ppm Sb soil anomaly but encountered very weak antimony mineralization possibly due to the highly sheared and fractured shale and slate bedrock. The best results were obtained from Trench 1 which exposed several meters of sulphide enriched (pyrite, stibnite and arsenopyrite) named the Red Fox Zone, that returned significant assays of 1.45% Sb over 3.25 meters including 3.10% Sb over 1.25 meters. Other anomalies remain untested and Trench 1 requires drill testing. The company is continuing with its efforts to try and source a funding partner or raise capital to move forward independently.

**Iron Horse**

The Iron Horse project is located approximately 120 kilometers Northeast of Labrador City, Labrador. A 50:50 joint venture agreement was formed with Metals Creek Resources Corp who was at that point the project operator. On May 16, 2012, Sokoman and Metals Creek announced a new agreement announcing that Sokoman would be increasing its interest in the joint venture to a maximum of 70% by meeting the following criteria; an additional 10% (aggregate 60%) by issuing on signing of the agreement a total of 1.5 million common shares (issued) of Sokoman to Metals Creek and by assuming responsibility for all expenditures related to the 2012 exploration program with a minimum exploration expenditure of \$500,000 (expended approx. \$322,000); an additional 10% (aggregate of 70%) by issuing an additional 2.5 million common shares (issued) of Sokoman within 18 months of the new agreement and producing a NI 43-101 compliant resource of at least 50 million tonnes by the fourth anniversary of the new agreement. The Company has amended the agreement whereby Sokoman can earn a 100% interest in Iron Horse by issuing 15 million additional shares (issued) to Metals Creek and by paying a lump sum of \$1 million upon delivery of a feasibility study. Metals Creek retains a 1.9% NSR on the Iron Horse Property. The amended agreement was subsequently approved by the TSX Venture and the amended agreement supersedes all earlier agreements. Through a 2012 financing arrangement with Callinan Royalties,( now Altius Minerals Corp through a friendly takeover of Callinan by Altius), Sokoman is required to maintain the property in good standing through December 31, 2020 with no financial commitments required. As part of the financing arrangement, Callinan (now Altius) holds a 1% NSR on the Iron Horse Property.

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In July, 2011 Metals Creek completed helicopter supported rock sampling and mapping to evaluate the iron ore and uranium potential of the properties. A total of 35 rock samples collected from the property returned an average of 40% Fe<sub>2</sub>O<sub>3</sub>.

On June 23, 2012, the company started the Phase 1 diamond drilling program on the property and completed five holes at Anomaly D for a total of 1189 meters. All holes intersected iron mineralization with thicknesses up to 125 meters grading 28.28% Fe. A second Phase of drilling commenced in early September 2012 and consisted of 1209 meters testing Anomaly A as well as including an additional 75 meters extending previously drilled hole GL12-05. The results were reported November 15, 2012 and included the thickest intercept to date on the project, 354 meters grading 27.75% Fe from GLAA12-02.

In May 2013, the company completed a 571 line kilometer airborne gravity survey of the bulk of the Iron Horse Property. The survey was completed by Fugro Airborne Surveys utilizing the Falcon Airborne Gravity Gradiometer system. The results suggested several DSO (Direct Shipping Ore) targets in the Anomaly D area where previous sampling returned grab sample values in excess of 53% Fe

In July 2013, the company completed a helicopter supported prospecting program testing gravity anomalies identified by the 2013 airborne gravity survey. The company carried out reconnaissance prospecting and rock sampling in the general vicinity of Anomalies B and D. Rock sampling results confirmed the presence of additional magnetite (taconite) mineralization in the vicinity of Anomaly D. To date DSO (direct shipping ore) has not been located on the property although additional areas require prospecting.

In early July, 2015, the company completed a core sampling program on the Iron Horse project with a focus on identifying potential uranium mineralization. Archived core from the 2012 drill program were examined and several samples collected. The company is still assessing the uranium potential of the project as previous operators in the area of the Iron Horse property has reported historical uranium mineralization up to 1800 parts per million uranium from float samples collected in 1957 by Labrador Exploration & Mining. The company intends to submit radioactive core samples collected in 2015 for uranium analysis and will re-evaluate the project once results have been received.

The company is currently seeking a funding or joint venture partner to move the project forward.

#### **Pilley's Island**

The Company has dropped the Pilley's Island claims and will retain no interest.

#### **Burin**

The Burin property was acquired by staking and option agreements and consists of 200 claims (5,000 hectares) in 11 licenses over three projects; Lamaline (formerly Salmonier Hill), Lawn and Little St. Lawrence. The property lies at Tidewater immediately adjacent to the towns of Lawn, St. Lawrence and Lamaline on the southern portion of the Burin Peninsula, on Newfoundland's south coast. The Company has allowed several licences to expire and as a result the property was reduced from 334 claims to 200 claims.

On May 1, 2011 the Company acquired an option to acquire 100% interest in License 013821M, part of the Lawn project claims, by issuing 100,000 shares (issued) and is subject to a 2% NSR. Limited rock sampling was carried out in order to maintain the licence in good standing. Subsequently, the licence was grouped with an adjoining Sokoman license. At this time, no further work is planned although the Company will maintain the properties.

The Lamaline property consists of 61 claims in four licences and covers an untested gold occurrence located in 2009 by Sokoman personnel and where limited rock sampling and soil sampling and IP (induced polarization) geophysical surveying was completed. Results indicate that several targets remain to be further tested by both geochemical and geophysical surveying as well as geological mapping.

On July 6, 2012 the Company entered into an agreement with Puddle Pond Resources Inc. (Puddle Pond), whereby Puddle Pond can earn up to a 75% interest in the Lamaline gold project. General terms of the Agreement in order for Puddle Pond to earn an initial 60% interest include a total of \$150,000 in cash payments and by issuing to Sokoman a total of 1 million shares of Puddle Pond. To earn an additional 15% (75% aggregate interest), Puddle Pond must complete a bankable feasibility study by the 7th anniversary of the Agreement. Puddle Pond has indicated that it has

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carried out ground surveys over the optioned Sokoman licences including geological mapping, prospecting and geochemistry. In July 2013, Puddle Pond informed Sokoman that due to market conditions, it was unable to fund exploration at Lamaline and was returning the property to Sokoman in good standing.

On October 12, 2010 the Company optioned a portion of its Burin uranium claim holdings (specifically claims associated with the Little St. Lawrence project) located near the former mining town of St. Lawrence to Newfoundland Fluorspar Exploration Limited (Newfluorex). Under the agreement, Newfluorex can earn a 100% interest in 3 mineral licences (97 claims – 2425 Ha), by issuing \$25,000 in cash and 1,000,000 Newfluorex shares (issued 250,000) to Sokoman over a three year period. All cash and share payments have been made in full with the stock valued at \$NIL as Newfluorex is not quoted on an active market. Sokoman will retain a 0.5% Net Proceeds Royalty on any future fluorspar and by-product minerals or metals production. In addition, Sokoman will retain the exclusive right, either on its own, or through third parties, to conduct uranium exploration on the Property during and after the term of option. Any minerals or other commodities, except fluorspar or uranium, discovered by either party during the term of option, shall be shared equally by the parties.

In August 2011 Newfluorex began a drill program that included at least two holes on ground optioned from the Company. The program was highlighted by the discovery, on claims optioned from Sokoman, of a new fluorspar vein system immediately north of the town of St. Lawrence, approximately 5 kilometers northeast of Canada Fluorspars' property. A single wildcat exploration hole, LSL-1, returned 22.89% CaF<sub>2</sub> over 2 metres in a northwest trending structure. All of the significant past production at St. Lawrence (and the proposed reactivated mining) was drawn from northwest trending vein structures. Newfluorex plans additional drilling and is actively seeking funding. The property optioned to Newfluorex has been further reduced to 38 claims in two licences from 97 claims in three licences. No work was completed during the reporting period by either Newfluorex or Sokoman and no work is planned. Both Newfluorex and Sokoman have negotiated tentative agreements with Canada Fluorspar for the sale of their respective NSR royalties on the Burin claims. Terms will be announced once the sale is complete. The company is also in discussions to option a portion of the Lamaline property and will announce terms once an agreement has been reached. The company has further reduced its claim holdings in the region largely through the expiration of several mineral Licenses. The company now has a total of 21 claims in two Licenses at Lamaline, a total of 4 claims in one License at Lawn, and a total of 38 claims in two Licenses at St. Lawrence (under option to Newfluorex Ltd.).

**Brady**

The Company acquired 100% of this property for 250,000 shares (issued at total consideration of \$87,500) and 1% NSR. The Brady gold property is located approximately 50 km south of the community of Grand Falls-Windsor, in central Newfoundland. The property is host to significant gold mineralization at the Reid Porphyry Zone and where the Company reported the first NI 43-101 compliant resource estimate as part of the revised Huxter Lane resource estimate. The report, prepared by Giroux Consulting of Vancouver, B. C., estimates that the Reid porphyry zone contains an inferred resource of 5.99 million tonnes averaging 0.558 g/t Au for 107,461 ounces gold at a cutoff of 0.30 g/t Au. Phase 2 diamond drilling commenced on March 11, 2011 and 9 holes totaling 2636.04 metres were completed. Results were issued May 5 2011 and were highlighted by an intercept of 25.45 metres grading 1.48 g/t gold from hole BO-11-25. The additional holes have been compiled and the Company has received an updated preliminary resource from the independent QP. The revised resource, prepared by Giroux Consultants, estimates that the Reid Zone contains an inferred resource of 9,570,000 tonnes averaging 0.56 g/t gold for 173,000 ounces gold at a cutoff of 0.30g/t gold. This represents a 60% increase in contained ounces from the original estimate completed in 2010. To date no economic assessment or scoping study of the Reid Zone has been performed, therefore a range of cutoff values have been provided. At present the company has no plans to conduct exploration at Brady. The project is available for joint venture, option or a direct sale.

The Reid Porphyry Zone shares characteristics similar to the intrusion hosted Fort Knox gold deposit in Alaska which hosts bulk tonnage, open pit mineable proven and probable reserves of 252 million tonnes averaging 0.47 grams per tonne gold or 3.80 million ounces of gold (Kinross Gold website). In 2003, previous operators at Brady reported strong drill intercepts including 41.1 meters grading 1.1 grams per tonne gold from the Reid Porphyry Zone, while exploration at the adjacent Huxter Lane property (Mosquito Hill Zone) in 2006 returned drill intercepts up to 35 metres grading 2.21 grams per tonne gold. The Brady property lies within an extensive structural zone at least 100 kilometres in length and host to numerous gold occurrences and prospects as well as the past producing Beaver Brook antimony mine.

No work was completed on the property during the reporting period and the company may further reduce the number of claims at Brady in order to maintain the area covering the NI 43-101 resource of 173,000 ounces of gold (inferred).

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In 2015, the company completed core sampling on selected holes at Brady in order to complete early stage metallurgical testing of the mineralization at Brady. The company has received the report on the testwork and due to low gold recoveries reported through the cyanide leaching of the samples, has decided to terminate the option and return the property in good standing to the property vendor. Sokoman will retain no interest in the claims returned.

**Mineral Exploration Expenses**

Exploration and evaluation expenditures incurred on exploration properties are expenses until such time that a future economic benefit is more likely to be realized than not by the establishment of ore resources.

A summary of exploration expenditures incurred for the period ended December 31, 2015 is as follows:

	July 2015 to		July 2014 to
	Startrek	December 2015	
	\$	\$	\$
Field Office Expenses	15,253	15,253	47,406
Geo Services	-	-	5,755
Assays	3,478	3,478	-
Travel	-	-	3,102
Wages & Salaries	12,570	12,570	76,251
Amortization	1,462	1,462	8,172
	32,763	32,763	140,686

**Share Capital**

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: December 31, 2015 – 18,050,438

Issued and outstanding: February 19, 2016 – 18,050,438

Warrants outstanding: December 31, 2015 – 2,990,200

Warrants outstanding: February 19, 2016 – 2,500,000, 490,200 warrants expired January 1, 2016

Options outstanding: December 31, 2015 – NIL

Options outstanding: February 19, 2016 – NIL

**Related Party Transactions**

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

The Company paid or accrued the following amounts to related parties during the period ended December 31, 2015 and 2014:

Outstanding as at				Description of Relationship	Nature of Transaction
31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14		
\$	\$	\$	\$		
-	14,014	-	-	Companies controlled by directors	Consulting Fees
11,700	-	-	-	An officer	Salaries and wages
3,000	-	3,000	-	Company controlled by a corporate secretary	Legal Fees
5,000	4,000	-	4,000	Company controlled by an officer	Accounting fees
19,700	18,014	1,500	4,000		

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**Off-Balance Sheet Arrangements**

At December 31, 2015, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

**Commitments and Contingencies**

As at December 31, 2015 the Company had no commitments and contingencies.

**Risk Factors**

Sokoman's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

***Capital Requirements***

Sokoman will require significant capital in order to fund its operating costs and to explore and develop any project. The Company has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. The Company will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Sokoman or if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Sokoman, the interests of shareholders in the net assets of Sokoman may be diluted. Any failure of Sokoman to obtain financing on acceptable terms could have a material adverse effect on Sokoman's financial condition, prospects, results of operations and liquidity and require Sokoman to cancel or postpone planned capital investments.

***Dependence on Mineral Exploration Projects***

Any adverse development affecting the progress of Sokoman's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on Sokoman and its business or prospects.

***Metal Prices***

The development and success of any project of Sokoman will be primarily dependent on the future price of gold and other metals. Gold and base metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the control of Sokoman. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from Sokoman's properties to be impracticable. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and Sokoman could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from Sokoman's mining properties is dependent on gold and base metal prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of Sokoman's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting Sokoman's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

***Government Regulation, Permits and Licences***

Sokoman's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or

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curtail exploration, development or production. Many of the mineral rights and interests of Sokoman are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that Sokoman will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; Sokoman may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and Sokoman cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Sokoman from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Sokoman and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

***Competition***

The mining industry is competitive in all of its phases. Sokoman faces strong competition from other exploration and mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Sokoman. As a result of this competition, Sokoman may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of Sokoman could be materially adversely affected.

***Exploration, Development and Operational Risk***

The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Sokoman not receiving an adequate return on invested capital.

Sokoman does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by Sokoman towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore. Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

***Joint Venture Strategy***

Sokoman's business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, Sokoman may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their

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personnel into Sokoman's operations. Sokoman cannot assure that it can complete any business arrangement that it pursues on favorable terms, or that any business arrangements completed will ultimately benefit Sokoman's business.

***Reliance on Management and Key Employees***

The success of the operations and activities of Sokoman is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Sokoman does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Sokoman's operations and financial performance.

***No Assurance of Titles, Boundaries or Approvals***

Titles to Sokoman's properties may be challenged or impugned, and title insurance is generally not available. Sokoman's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Sokoman may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Sokoman cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Sokoman's operations.

***Environmental Risks and Hazards***

All phases of Sokoman's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Sokoman's operations. Environmental hazards may exist on the properties in which Sokoman holds interests which are unknown to Sokoman at present and which have been caused by previous or existing owners or operators of the properties.

***Uninsured Risks***

Sokoman's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Sokoman's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Sokoman maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Sokoman may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Sokoman on affordable and acceptable terms. Sokoman might also become subject to liability for pollution or other hazards which may not be insured against or which Sokoman may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Sokoman to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

**Outlook**

The company has completed trenching on four of the highest priority targets at Startrek, and has met with success at the newly exposed Red Fox Zone. Additional trenching targets remain and the Red Fox Zone is a bona fide drill target. The company is seeking a funding partner to advance the project.

The company has reached a tentative agreement for the sale of its 0.5% NSR on certain claims comprising the Burin Project. Terms will be announced once the deal has been finalized. The company is also in discussions focused on optioning a portion of its 100% owned Lamaline claims, also part of the Burin Project. Terms will be announced once a final agreement has been reached. .

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The company is continuing management of its portfolio of exploration properties and where necessary, will consolidate or reduce claim holdings to ensure core interests remain with the company. The company continues to seek funding partners on its remaining portfolio of early stage antimony, gold, and base metal projects in Newfoundland.

**Tim Froude, P. Geo**  
**Interim Chief Executive Officer**  
**February 19, 2016**