



NEVADO RESOURCES CORPORATION
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2016

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NEVADO RESOURCES CORPORATION
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
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BACKGROUND

The following management discussion and analysis (“MD&A”) should be read in conjunction with the financial statements of Nevado Resources Corporation (the “Corporation”), for the year ended December 31, 2015. The unaudited condensed financial statements for the quarter ended June 30, 2016 and the comparative data have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. Unless otherwise specified, the financial information included in the financial statements and contained in this MD&A is denominated in Canadian dollars, which is the functional and presentation currency of the Corporation.

FORWARD-LOOKING STATEMENTS

The sections of this MD&A on the Corporation’s strategy and action plan and exploration activities contain “forward-looking statements” depending on context, particularly statements that reflect the Corporation’s opinions, estimates and expectations with regard to future events or results. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate. Factors that could cause future results, activities and events to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, risks inherent in the mining industry, uncertainty in the estimation of mineral resources and additional financial requirements, as well as the Corporation’s ability to meet such requirements. These risks and uncertainties are described in this MD&A.

CORPORATION OVERVIEW

The Corporation was incorporated under the *Canada Business Corporations Act* on June 9, 2006.

The Corporation’s activities essentially focus on the exploration and evaluation of mineral properties for commercial production. The Corporation does not currently mine any properties. The Corporation holds a 100% interest in the La Blache (titanium-vanadium) property, which is comprised of 55 mining claims covering a total area of 3,040 hectares (30 km²) in Northern Quebec. As part of its reorganizing plan, the Corporation has decided to focus its activities in the gold sector and is presently searching to acquire mining properties.

The recovery cost of mining assets depends on the ability to discover and economically extract ore reserves, on obtaining the required funding to continue exploring, evaluating and developing its properties and the proceeds from the disposal of properties. The Corporation must periodically obtain new funds in order to continue its activities, and despite the fact that it has succeeded in doing so in the past, there can be no assurance that it will continue to do so in the future.

HIGHLIGHTS

On July 28, 2016, the Corporation announced the results of its Annual and Special Meeting of Shareholders, which was held on July 14, 2016. The shareholders elected six directors, including three new directors.

On August 10, 2016, the Corporation announced the closing of a non-brokered private placement with accredited investors, as well as with 5 directors of the Corporation, pursuant to which the Corporation issued 11,000,000 units (the “Units”) at a price of \$0.05 per Unit, for total gross proceeds to the Corporation of \$550,000. Each Unit consists of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional Common Share of the Corporation at a price of \$0.07 for 24 months from the closing date of the private placement.

MINING PROPERTIES

La Blache property (Titanium-Vanadium)

The Corporation owns 55 claims covering an area of 3,040 hectares (30 km²) forming the titanium-vanadium rich La Blache property (the “Property”), located some 150 km northwest of Baie-Comeau in the Upper North Shore region of Quebec.

With the help of geophysical surveys and prospection work, the Corporation has identified a total of 25 massive iron oxide lenses, including Farrell-Taylor, Hervieux West, Schmoo Lake, Hervieux East, Hervieux East Extension, Hervieux North Extension, Zorro-Leduc, Leduc-Farrell and E. Girard. The Farrell-Taylor lens has been modeled geophysically and drilled, and currently measures 1,500 metres by 550 metres by 115 metres. At present, there appears to be at least nine other lenses with similar size potential.

In 2010-2011, the Corporation realized over 22,000 metres of diamond drilling on the Property, mainly on the Farrell-Taylor occurrence, which enabled it to define the high-grade titanium-vanadium-iron resource shown below.

Farrell-Taylor deposit

On July 9, 2012, the Corporation filed a NI 43-101 Technical Report dated May 14, 2012 on the La Blache titanium-vanadium project with Canadian securities regulators, which includes Mineral Resource Estimates (“MRE”) for its Farrell-Taylor titanium-vanadium deposit. The Report was prepared by Maxime Dupéré, P.Geo., from SGS Canada Inc.-Geostat (“SGS-Geostat”) of Blainville, Quebec.

Using a base case cut-off grade of 5.1% TiO₂ Equivalent (“TiO₂ Eq”), the MRE for Farrell-Taylor totals 101,700,000 tonnes grading 18% TiO₂, 0.33% V₂O₅ and 59.7% Fe₂O₃ (41.76% FeT) in the Inferred category. The following table summarizes the MRE of Farrell-Taylor at other cut-off grades:

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MINERAL RESOURCE ESTIMATES – INFERRED CATEGORY						
Cut-off grade (based on % TiO ₂ Eq ¹)	Tonnes	% Fe ₂ O ₃	% FeT	% TiO ₂	% V ₂ O ₅	% TiO ₂ Eq ¹
5	101,720,000	59.70	41.75	18.00	0.33	21.74
5.1 ²	101,700,000	59.70	41.76	18.00	0.33	21.75
6.7 ³	101,320,000	59.86	41.87	18.05	0.33	21.80
10	100,370,000	60.21	42.11	18.16	0.33	21.93
15	96,460,000	61.18	42.80	18.46	0.34	22.29
18.6 ⁴	88,650,000	62.27	43.55	18.83	0.34	22.75
20	81,860,000	62.90	43.99	19.06	0.35	23.03

Notes:

¹ % TiO₂ Eq denotes % TiO₂ equivalent grade calculated as follows: % TiO₂ Eq = % TiO₂ + ((% Fe₂O₃ x 62% x \$120/tonne) / (90% x \$2,500/tonne) + (%V₂O₅ x 90% x \$13,500/tonne) / 90% x \$2,500/tonne).

² SGS-Geostat utilized a US \$115/tonne mining – Neomet-processing cost as the base case: US \$50/tonne mining + US \$65/tonne processing cost, including estimated G&A costs.

³ US \$150/tonne mining – Neomet processing cost.

⁴ US \$420/tonne mining – Neomet processing cost.

The MRE were performed in accordance with NI 43-101, Standards of Disclosure for Mineral Projects, and the “CIM Standards on Mineral Resources and Reserves - Definitions and Guidelines” developed by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on December 11, 2005. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The MRE may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of the estimated Inferred resource reported herein are uncertain, and there has been insufficient exploration to categorize them as an Indicated or Measured resource. Further exploration may result (after validation and resource update) in the reclassification of the Inferred mineral resource as Indicated or Measured.

The mineralization consists mostly of magnetite (iron oxide) and ilmenite (iron titanium oxide), with lesser amounts of iron-magnesium aluminum-silicate minerals, all part of a series of sub-vertical, inclined and sub-horizontal dykes, sills, veins, stockworks and disseminations emplaced along multi-kilometric circular and elliptical configurations within the 35 km by 12 km La Blache anorthositic complex, such as the 45 km La Blache ring of titanium-vanadium-iron.

The geological interpretations on section were linked together into a 3D mesh by the Corporation. SGS-Geostat reviewed and validated the model and added some minor modifications. The 3D mesh covers over 1,150 metres on the east-northeast direction with an average width of 470 metres. The mineralization starts at 200 metres wide on the west-southwest and widens at depth to approximately 715 metres to the east-northeast. It dips 20 degrees towards the east-northeast, and has a thickness of 50 metres on average, but ranging from 15 metres to as high as 85 metres in the deeper portions.

The database used for the resources estimation used a total of 45 diamond drill holes totalling 16,577 metres (2010-2011 drill programs) and a total of 7,483 assays were considered in the validated database.

The assay method used was XRF for iron and TiO₂ and ICP AES with four acid digestion, especially for vanadium in Val-d’Or at ALS Minerals of Vancouver.

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The overall % TiO₂ Eq grade is defined as a temporary grade, which, when used with the TiO₂ recovery and TiO₂ price, gives the correct net smelter return royalty for a tonne of ore. This equivalent grade combined with TiO₂ recovery and TiO₂ price can be used to calculate a marginal-processing cut-off grade for resource modeling purposes. SGS-Geostat set the cut-off grade at 5.1% TiO₂ Eq. A sensitivity table was also prepared for several benches. All of the Inferred mineral resource occurs between 0 and 600 metres vertical depth. A cut-off grade of 5.1% TiO₂ Eq was used for this table. No pit optimization was done for the mineralization.

Bench (metres)	Tonnage ¹	% Fe ₂ O ₃	% FeT	% TiO ₂	% V ₂ O ₅	% TiO ₂ Eq
0-200	60,900,000	60.40	42.25	18.48	0.34	22.32
200-400	40,380,000	58.67	41.04	17.32	0.31	20.92
400-600	410,000	57.58	40.27	15.44	0.17	18.24
0-300	90,550,000	59.96	41.94	18.11	0.34	21.93
0-350	98,900,000	59.77	41.80	18.04	0.33	21.81
0-400	101,290,000	59.71	41.77	18.01	0.33	21.76
0-600	101,700,000	59.70	41.76	18.00	0.33	21.75

Note:

¹ Tonnage numbers are rounded to the nearest 10,000 as per National Instrument 43-101 Standards and Policies.

La Blache metallurgy

On February 9, 2012, the Corporation announced metallurgical test work results on Neomet's Stage 2 mini-plant campaign from the Corporation's oxides mineralization. These results were obtained from Neomet's final report dated January 16, 2012, which are summarized below:

- The mini-plant circuit was conceived and set up as a continuous operation process;
- High extractions of greater than 90% titanium and vanadium were achieved;
- Titanium was easily and effectively precipitated directly from the leach liquor as TiO₂ of purity greater than 98%;
- TiO₂ was easily upgraded to a product of greater than 99.9% purity in a second step, offering the option of marketing two product grades;
- High purity vanadium (greater than 99.9% pure as ammonium metavanadate) was also recovered;
- The dissolution of the minor elements present in oxides mineralization (aluminum, magnesium, calcium and manganese) are not a cause for concern in the Neomet process and may be opportunities for value-added by-products.

Since filing a NI 43-101 technical report with respect to the La Blache property in July 2012, the Corporation has worked steadily to increase the project's long-term value by focusing the bulk of its efforts on two strategic priorities: 1) seeking out and assessing competitive metallurgical processes for the low cost production of higher-quality titanium based products, and 2) identifying strategic partners to help with optimal project development and operation. The Corporation wishes to underscore that the La Blache project remains without question the Corporation's flagship project.

Signing of final agreement with Neomet

On January 20, 2015, the Corporation announced that it had signed a final agreement with Neomet to form a joint venture on the following basis: Nevado - 70%, Neomet - 30%.

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The purpose of the joint venture is to develop Nevado's wholly-owned La Blache property, or other similar properties to be held by the joint venture. The joint venture will use Neomet's pilot plant to demonstrate the process at a much larger scale based on the flowsheet designed at Neomet's mini-plant, and will then conduct a feasibility study on the property.

The joint venture will have the exclusive right to use Neomet's patent-pending technology to recover metals from similar ores in Quebec, Ontario, Newfoundland and Labrador, as well as other regions of North America as may be agreed from time to time by the joint venture parties.

STRATEGY AND ACTION PLAN

During the coming months, the Corporation will focus its activities towards the acquisition of new gold properties. It is presently evaluating several mining properties with strong gold-bearing potential. The Corporation hopes to conclude an agreement, as soon as possible, with the goal of increasing shareholder value.

The Corporation will also keep its La Blache (titanium-vanadium) property in Northern Quebec, with the hope of finding a partner to develop the project.

DEFERRED EXPLORATION AND EVALUATION EXPENSES

For the three-month period ended June 30, 2016, the Corporation didn't incur any exploration and evaluation expense.

For the three-month period ended June 30, 2015	La Blache	Total
	\$	\$
Balance at the beginning of the period	5,665,381	5,665,381
Total exploration expenses	-	-
Balance at the end of the period	5,665,381	5,665,381

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SELECTED FINANCIAL DATA

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	\$	\$	\$	\$
Expenses				
General and administrative expenses	(71,761)	(56,636)	(85,833)	(118,411)
Gain on sale of equipment	-	450	-	450
Income tax	(21,080)	-	(21,080)	-
Net loss	(92,841)	(56,186)	(106,913)	(117,961)
Basic and diluted loss per share	(0.001)	(0.001)	(0.002)	(0.002)

	June 30 2016	December 31 2015
	\$	\$
Total assets	28,398	22,749
Cash and cash equivalents	3,467	6,876
Note payable	221,573	159,573
Total equity	(576,962)	(470,049)

RESULTS OF OPERATIONS

During the second quarter ended June 30, 2016, the Corporation incurred \$71,761 in general and administrative expenses, compared to \$56,636 in 2015. General and administrative expenses consist mainly in professional and consulting fees, which totaled \$56,631 in 2016 (\$46,726 in 2015). The Corporation also recorded \$21,080 in income tax for expenses that were refused for previous years.

For the three-month period ended June 30, 2016, the Corporation had a net loss of \$92,841 (basic and diluted loss of \$0.001 per share), compared to a net loss of \$56,186 (basic and diluted loss of \$0.001 per share) in 2015.

FINANCIAL POSITION

As at June 30, 2016, the Corporation's working capital stood at negative \$503,420, which included cash and cash equivalents of \$3,467 (\$6,876 as at December 31, 2015). The Corporation posted an accumulated deficit of \$14,652,271 as at June 30, 2016 (\$14,545,358 as at December 31, 2015).

The accompanying interim financial statements have been prepared using generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These financial statements do not reflect the adjustment to the

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carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

On September 16, 2013, the Corporation entered into an agreement with Neomet Technologies Inc. to convert an account payable of \$174,875 into a note payable. The note payable is unsecured and bears interest at a rate of 9% payable by 24 equal payments of \$7,000 each, beginning on October 1, 2013, and an additional final payment on capital and interest due and payable as at the 25th payment on October 16, 2015. Under the term of the agreement, the Corporation may, at all times, pay the balance owing in anticipation. However, in the event the Corporation reimburses the balance owing in anticipation, the interest will be immediately due in full, as though the balance owing had been reimbursed at the expiry date. In prior years, the Corporation reimbursed \$42,000 of its note payable. As at June 30, 2016, the Corporation is in default due to its failure to reimburse this note payable. On July 4, 2016 the Corporation received a judgment ordering it to pay \$148,284.30 plus interest. The Corporation is presently evaluating its options in regards with this judgment.

Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through June 30, 2017. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

The Corporation's operating activities used \$3,409 for the second quarter ended June 30, 2016, having used \$12,657 for the same period in 2015.

The Corporation is entitled to a refundable tax credit for resources of up to 38.75% of eligible expenses, and a credit on mining duties refundable for losses of 16% of 50% of eligible expenses incurred funded with non-tax renounced flow-through funds.

SUBSEQUENT EVENT

On August 10, 2016, the Corporation announced the closing of a non-brokered private placement with accredited investors, as well as with 5 directors of the Corporation (the "Insider"), pursuant to which the Corporation issued 11,000,000 units (the "Units") at a price of \$0.05 per Unit, for total gross proceeds to the Corporation of \$550,000. Each Unit consists of one common share (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional Common Share of the Corporation at a price of \$0.07 for 24 months from the closing date of the private placement (the "Closing Date").

Securities issued under the private placement will be subject to a four-month hold period expiring on December 11, 2016. A finder's fee of \$21,000 will be paid on a portion of the financing.

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QUARTERLY FINANCIAL INFORMATION

The following table contains selected financial information for the last eight quarters:

	Q2 2016	Q1 2016	Q4 2015 (i)	Q3 2015	Q2 2015	Q1 2015	Q4 2014 (ii)	Q3 2014
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	(92,841)	(19,273)	(5,795,129)	(27,019)	(56,186)	(68,346)	(1,394,255)	(60,683)
Basic and diluted loss per share	(0.001)	(0.000)	(0.110)	(0.001)	(0.001)	(0.001)	(0.030)	(0.001)

- i) The net loss resulted from the \$5,692,497 impairment of the Corporation's mining properties and deferred exploration and evaluation expenditures.
- ii) The net loss resulted from the \$1,535,883 impairment of the Corporation's mining properties and deferred exploration and evaluation expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangement.

RELATED PARTY TRANSACTIONS

During the quarters ended June 30, 2016 and 2015, the Corporation has concluded some transactions with related parties. The following expenses consist mainly in professional and consulting fees.

	2016	2015
	\$	\$
Officers/directors or corporations held by officers/directors		
Chef Financial Officer	19,250	-
Officers/directors or corporations held by officers/directors		
Rent charged to Quinto Real Corporation	-	9,920

The Corporation charged rent to Quinto Real Corporation in the second quarter ended June 30, 2015. The transaction occurred in the normal course of business at the fair value, being the value accepted by the parties.

As at June 30, 2016, accounts payable and accrued liabilities included an amount of \$74,445 (\$9,612 as at June 30, 2015) payable to related parties.

OUTSTANDING SHARE INFORMATION

	As at August 25, 2016
	Number
Common shares	62,381,296
Stock options	1,500,000
Warrants	11,000,000
Total number of common shares on a fully diluted basis	74,881,296

RISK AND UNCERTAINTIES

Risk factors are discussed in detail in the Company's MD&A contained in the annual report for the year ended December 31, 2015.

INFORMATION COMMUNICATION CONTROLS AND PROCEDURES

In accordance with *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This management discussion and analysis is dated August 25, 2016, and complies with Canadian Securities Administrators, National Instrument 51-102 on continuous disclosure. The purpose of this management discussion and analysis is to help the reader understand and assess the material changes and trends in the Corporation's results and financial position. It presents Management's perspective on the Corporation's current and past activities and financial results, as well as an outlook of activities planned for the coming months. The Corporation regularly discloses additional information through press releases and other reports filed on SEDAR: www.sedar.com.

(signed) Michael Curtis

Michael Curtis

President and Chief Executive Officer

(signed) Marcel Bergeron

Marcel Bergeron

Chief Financial Officer