WOLVERINE MINERALS CORP.

Form 51-102F1

Management's Discussion and Analysis

The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Wolverine Minerals Corp. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month periods ended June 30, 2016 and should be read in conjunction with the Company's financial statements and related notes for the corresponding periods and the Company's December 31, 2015 audited financial statements. All figures are in Canadian dollars unless otherwise stated.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada and can be obtained from www.sedar.com.

The financial statements of the Company for the periods ending June 30, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and are expressed in Canadian dollars. Previous financial statements had been prepared in accordance with pre-changeover Canadian Generally Accepted Accounting Principles.

Disclaimer

This MD&A contains forward-looking statements, which reflect, among other things, management's expectations regarding the Company's future growth, results of operations, performance and business prospects and opportunities. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including those listed under Item 1.11 *Other MD&A Requirements – Risks and Uncertainties* below. The Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A and, save and except as required under applicable securities legislation, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

1.1 Date

This MD&A is dated as of August 29, 2016.

1.2 Overall Performance

Description and General Development of the Business

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties.

The Company signed a share purchase agreement dated effective July 9, 2014 with Remedios Gold Holdings S.A. ("**Remedios**"), Remedios Gold S.A.S. ("**Remedios SAS**" and, together with Remedios, the "**Remedios Subsidiaries**"), Herbo Assets S.A. ("**Herbo**"), and Tolima Gold (Barbados) Corp., whereby the Company agreed to acquire a 100% interest in the Remedios Subsidiaries from Herbo in exchange for total consideration of US$700,000 ($747,065), which was paid. On July 31, 2014, the Company completed the acquisition. The Remedios Subsidiaries hold certain properties located in the Remedios and Segovia municipalities of Antioquia, Colombia.

The Company determined that the Remedios Subsidiaries did not meet the definition of a business pursuant to IFRS and accordingly the purchase has been accounted for as an asset acquisition.

The following sets forth the purchase price allocation to the assets and liabilities assumed in connection with the acquisition of the Remedios Subsidiaries:

Purchase Price:		
Settlement of advance	$	747,065
Total consideration		747,065
Net assets acquired :		
Cash	$	222
Property, plant and equipment and Mineral Properties		1,409,661
Accounts Payable		(662,818)
Total- net assets acquired	$	747,065

On October 20, 2014, the Company was informed that the Superior Court of Antioquia ruled and confirmed a previous finding of the Municipal Court of Segovia (the "**Municipal Court**"). On May 22, 2014, the Municipal Court ordered that a certain plaintiff, who was the holder in 1993 of mineral title 7299, had to be reinstated as the registered holder of the mineral title, along with the equipment existing at that time. This resulted from an action that was initially filed in 2004 against numerous third parties. In 2014, Remedios was added to the litigation process.

Mineral title 7299 is the subsurface title, located beneath a third party's surface ownership where the Company's mill was located. Under Colombian law, subsurface mineral titles have certain access rights. The authorities of the Remedios Municipality arrived at the mill-site with a court order issued by the Municipal Court for the eviction of Remedios from the property. Due to the uncertainty created by this legal action, the Company wrote off these assets in the year ended 2014.

During the year ended December 31, 2015, the Company attempted, through the Colombia legal system, to regain possession of the mill and mineral title 7299 but was unsuccessful.

On December 23, 2015, the Company entered into a binding letter agreement to sell the Remedios Subsidiaries and its other wholly-owned subsidiary, Nueva Granada Gold S.A.S (collectively, the "**Subsidiaries**").

On February 16, 2016, the Company entered into a definitive share purchase agreement pursuant to the letter agreement, pursuant to which it finalized the sale of the Subsidiaries to Vecino Ventures S.A. (the "**Purchaser**"), a private Panamanian company. In consideration for the sale and transfer of all of the issued and outstanding shares of the Subsidiaries to the Purchaser, the Purchaser agreed to assume and be responsible for all liabilities of the Subsidiaries, and the Purchaser agreed to grant the Company a 3.0% net smelter return royalty on net proceeds received by the Subsidiaries from the sale of gold, silver and platinum group metals recovered from production from the properties of the Subsidiaries. The Purchaser is entitled to repurchase this royalty from the Company at any time for US$700,000.

The effective date of disposition was determined to be December 27, 2015 pursuant to the guidance of *IFRS 10 Consolidated Financial Statements*.

The carrying values of assets and liabilities of the Subsidiaries at the date of disposition were as follows:

Disposed assets	$	224,257
Extinguished accounts payable and accrued liabilities		(904,636)
Gain on disposition of Subsidiaries	$	(680,379)

The gain on disposition of the Subsidiaries was recognized on the consolidated statement of comprehensive loss during the year ended December 31, 2015.

The year end consolidated financial statements include the results of operations of the Subsidiaries for the period up to the date of disposition on December 27, 2015. The Company's interim financial statements for the three and six months ended June 30, 2016 do not include the Subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation. Details of the Subsidiaries are as follows:

			Percentage owned	
	Incorporated in	March 31 2016	December 31, 2015	March 31, 2015
Remedios Gold Holdings S.A.	Panama	0%	0%	100%
Remedios Gold S.A.S.	Colombia	0%	0%	100%
Nueva Granada Gold S.A.S.	Colombia	0%	0%	100%

If the Company loses control of a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

As at June 30, 2016, the Company held a 100% interest in a property in the Yukon (the Vivi property), which comprises a total of 70 claims. These claims are in the Finlayson District (registered with the Watson Lake Mining Recorder) and are directly owned by the Company. The Company has yet to determine what, if any, work will be performed on the Yukon Properties in the future. The Vivi claims are in good standing until March 31, 2021 as to 16 claims and March 31, 2020 as to 54 claims. The Company expended $Nil on the Yukon properties in the three and six month periods ended June 30, 2016 and 2015.

On May 11, 2016, the Company announced that it was consolidating its outstanding common shares on a one new for five old basis (the "**Consolidation**"). On May 20, 2016, the TSX Venture Exchange approved the Consolidation, which became effective at the opening of the market on May 24, 2016. The Company's symbol remains as "WLV". Prior to the completion of the Consolidation, a total of 24,923,147 common shares were issued and outstanding. After the Consolidation became effective on May 24, 2016, a total of 4,984,630 shares, subject to adjustments for rounding, were issued and outstanding.

On August 8, 2016 he Company closed a non-brokered private placement of 11 million units at a price of five cents per unit for proceeds of $550,000. Each unit consists of one common share in the capital of the company and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of 7.5 cents per share during the first year from the date of issuance and 10 cents per share during the second year from the date of issuance. In connection with the financing, the company paid $4,200 in finders' fees.

The Company has made an application with the TSX to settle $669,800 in debt by issuing 13,396,000 common shares at a deemed price of $0.05 per share.

1.3 Results of Operations

Six Month Period Ended June 30, 2016

As an exploration stage company, the Company does not have any revenue from mining operations. The Company had a minor gain from foreign exchange and a foreign exchange translation adjustment during the six-month period ended June 30, 2015 and no income in 2016.

During the six months ended June 30, 2016, the Company incurred exploration costs of $Nil (June 30, 2014 - $151,055 and December 31, 2015 - $250,587), which relates to activities undertaken by the Company in connection with the Remedios Transaction.

Operating expenses for the six month period ending June 30, 2016 totaled $207,567 (June 30, 2015 - $376,758). Operating expenses consisted of $43,203 in office and general expenses (June 30, 2015 - $44,316), $114,000 in management fees and directors fees (June 30, 2015 - $123,000), and $9,448 in professional fees, consisting primarily of accounting and legal expenses (June 30, 2015 - $20,402). The decrease in office and general expenses and professional fees is primarily attributable to the termination of activities in Colombia. The Company also incurred $16,195 (2015: $37,985) in accretion expense related to the convertible debentures. The Company incurred $24,721 interest (2015: $Nil)

As a result of the foregoing, the Company incurred a net comprehensive loss for the six month period ended June 30, 2016 (including interest expense, foreign exchange gain or loss, fixed asset write off, and foreign currency adjustments) of $207,567 or $0.04 per share (basic and diluted), compared to a net comprehensive loss of $400,177 or $0.10 per share (basic and diluted) for the six month period ended June 30, 2015.

The total assets of the Company as at June 30, 2016 were $92,344 (June 30, 2015 - $665,912 and December 31, 2015 - $88,628) and total liabilities were $1,108,152 as at June 30, 2016 (June 30, 2015 - $1,317,729 and December 31, 2015 - $896,869).

The Company issued a promissory notes for $80,000 for funds received from a directors of the Company. The notes are payable on demand and bear interest at 12% pa.

During the six month period ended June 30, 2016, the Company recorded an accretion expense of $16,195.

Three Month Period Ended June 30, 2015

As an exploration stage company, the Company does not have any revenue from mining operations.

The Company had a minor gain on foreign exchange and a foreign currency translation gain during the three month period ended June 30, 2015 and none in 2016.

During the three months ended June 30, 2016, the Company incurred exploration costs of $Nil (June 30, 2015 - $14,317), which relates to activities undertaken by the Company in connection with the Remedios Transaction

Operating expenses for the three month period ending June 30, 2016 totaled $114,602 (June 30, 2015 - $ 120,057). Operating expenses consisted of $25,386 in office and general (June 30, 2015 - $8,496), $66,000 in management fees and directors fees (June 30, 2015 - $61,500), and $7,777 in professional fees consisting primarily of accounting and legal expenses (June 30, 2015 - $12,635). The increase in office and general expenses is attributed to the reorganization activities of the Company. The decrease in professional fees is attributable to the termination of activities in Colombia.

As a result of the foregoing, the Company incurred a net comprehensive loss for the three month period ended June 30, 2016 (including interest income and foreign exchange gain or loss, fixed asset write off and change in fair value of derivative) of $114,602 or $0.02 per share (basic and diluted), compared to a net comprehensive loss of $106,636 or $0.02 per share (basic and diluted) for the three month period ended June 30, 2015.

The Company issued a promissory notes for $80,000 for funds received from a directors. The notes are payable on demand

and bear interest at 12% pa.

During the three month period ended June 30, 2015, the Company recorded an accretion expense of $2,542.

1.4 Summary of Quarterly Results

	2016		***2015***				***2014***	
	30 June	***31 Mar***	***31-Dec***	***30-Sept***	***30-Jun***	***31-Mar***	***31-Dec***	***30-Sep***
Revenues	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Loss before other items	$ 114,602	$ 92,965	$ 185,088	$ 137,654	$ 147,085	$ 276,052	$ 289,731	$ 334,864
Other Items:								
Interest Income	$ -	$ -	$ -	$ -	$ -		$ -	$ (296)
Foreign Exchange loss	-	-	(1,086)	-	6	1,092	(717)	(2,317)
Property and E and E Write offs	-	-	261,989	311,846	-	-	1,474,003	-
Non-recurring items	$ -	$ -	$ (686,364)	$ 287	$ 40,716	$ 18,581	$ (52,991)	-
Net loss (gain) after other items	$ 114,602	$ 92,965	$ (240,372)	$ 449,787	$ 106,636	$ 293,541	$1,710,026	$ 332,251
Loss per share – basic and diluted (1)(4)(5)	$ (0.02)	$ (0.02)	$ 0.05	$ (0.09)	$ (0.02)	$ (0.06)	$ (0.34)	$ (0.07)
Shares Outstanding (2)(3))(5)(6)	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629
Diluted Shares (1)(2)(3)(4)(5)(6)	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629	4,984,629

The following table sets forth selected financial information for the Company's eight most recently completed quarters:

(1) Based on the weighted average number of shares outstanding during the period.

(2) Shares outstanding and diluted shares outstanding are as at the end of the respective quarters.

(3) On December 29, 2014, the Company completed the first tranche of a private placement of convertible debentures for the principal sum of $232,000. The convertible debentures bear interest at 10% per annum and were repayable on December 29, 2015. The convertible debentures are convertible at the option of the holders into units of the Company at a conversion price of $0.05 per unit. Each unit will consist of one common share and one non-transferrable share purchase warrant. Each warrant will entitle the holder to purchase one share at a price of $0.05 per share for a period of three years. The accrued interest on the principal amount of the debentures will be convertible into units at a conversion price of the greater of $0.05 per unit and the market price on the date of any applicable conversion. As at December 31, 2015, $232,000 convertible debentures were in default.

During February through May of the year ended December 31, 2015, the Company completed the second tranche of a private placement of convertible debentures for the principal sum of $174,000. The convertible debentures bear interest at 10% per annum, and were repayable one year from their issue date. The convertible debentures are convertible at the option of the holders into units of the Company at a conversion price of $0.05 per unit. Each unit will consist of one common share and one non-transferrable share purchase warrant. Each warrant will entitle the holder to purchase one share at a price of $0.05 per share for a period of three years. The accrued interest on the principal amount of the debentures will be convertible into units at conversion price of the greater of $0.05 per unit and the market price on the date of any applicable conversion. All of these debentures are in default as of May 26, 2016.

(4) On April 15, 2014, the Company completed a private placement of 7,000,000 units at $0.075 per unit for a total of $525,000. No commissions were paid on the placement. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.10 per share until April 15, 2017.

(5) On May 24, 2016, the Company completed the Consolidation, pursuant to which the outstanding common shares were consolidated on a one new for five old basis, resulting in the 24,923,147 shares outstanding prior to the Consolidation being reduced to 4,984,629.

(6) On August 8, 2016 he Company closed a non-brokered private placement of 11 million units at a price of five cents per unit for proceeds of $550,000. Each unit consists of one common share in the capital of the company and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of 7.5 cents per share during the first year from the date of issuance and 10 cents per share during the second year from the date of issuance. The Company has made an application with the TSX to settle $669,800 in debt by issuing 13,396,000 common shares at a deemed price of $0.05 per share.

1.5 Capital Resources and Liquidity

As an exploration company, the Company has not generated any revenues from operations, with the only source of financing to date (other than limited interest income) being from the issuance of equity securities (see Item 1.2 *Overall Performance – Description and General Development of the Business* and Item 1.4 *Summary of Quarterly Results*).

As at June 30, 2016, the Company had a working capital deficit of $1,080,953 (June 30, 2015 – deficit $1,298,214 and December 31, 2015 - deficit $877,095) and cash on hand of $8,559 (June 30, 2015 - $9,119 and December 31, 2015 - $6,548).

The Company has received $149,250 (2015 $61,250) in connection with the issuance of promissory notes that are unsecured, bear interest at the rate of 12% per annum and are payable on demand.

The Company currently has insufficient financial resources to meet its ongoing financial obligations (see 1.2 Overall Performance-Description and General Development of the Business above). The Company will need to raise additional funds in order to meets its commitments and for general working capital. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future on satisfactory terms or at all. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans. Should current global economic conditions persist, management anticipates challenges in raising additional financing.

Operating Activities

During the three months ended June 30, 2016, cash of $80,076 was used in operating activities compared to a use of cash of $195,400 for the three months ended June 30, 2015. During the six months ended June 30, 2016, cash of $85,989 was used in operating activities compared to a use of cash of $281,114 for the six months ended June 30, 2015.
The Company has undertaken an operating cost reduction plan in order to reduce its ongoing operating costs.

There is no known body of ore of commercial grade or tonnage on any of the Company's properties. The Company spends its funds to carry out exploration work with the objective of establishing ore of commercial tonnage and grade. If the Company's exploration programs are successful, additional funds will be required for the development of an economic ore deposit to place in commercial production. There are no assurances that the Company will ever establish ore of commercial tonnage or grade on its properties, continue to be successful in raising additional funds, or that other forms of equity capital or debt financing will be available to the Company in the future on satisfactory terms or at all. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans. Should current global economic conditions persist, management anticipates challenges in raising additional financing.

Financing Activities

During the three and six months ended June 30, 2016, the Company issued $80,000 and $88,000 respectively in promissory notes which bear interest at 12% pa. As of June 30, 2016 the Company has issued a total of $149,250 in promissory notes.

During the three and six months ended June 30, 2015, financing activities, consisted of a private placement financing of convertible debenture, which provided cash of $174,000 as compared to a private placement of $525,000 for the three and six month periods ended June 30, 2014. On May 6, 2015, the Company completed the first tranche of a non-brokered private placement of convertible debentures for gross proceeds of $159,000. On May 21, 2015 the Company closed the second tranche of $15,000. Each Convertible Debenture is convertible into units (each, a "Unit") of the Company at a conversion price of $0.05 per Unit. Each Unit consists of one common share and one non-transferable share purchase warrant. Each Warrant will entitle the holder to purchase one Share at a price of $0.05 per Share for a period of three years. The Convertible Debentures mature one (1) year from the date of the closing of the Financing (the "Maturity Date") and bear interest at the rate of 10% per annum, payable on the Maturity Date.

As at June 30, 2016, the Company had no long-term debt.

1.6 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.7 Transactions with Related Parties

Related party transactions during the three and six month periods ended June 30, 2016 and 2015 not disclosed elsewhere in these financial statements are as follows:

a) The Company incurred $48,000 and $96,000 (June 30, 2015: $48,000 and $96,000) for consulting fees charged by two directors of the Company for the three and six month periods, respectively, ended June 30, 2016.
b) The Company incurred $Nil and $Nil in directors' fees (June 30, 2015: $13,500 and $27,000) for for the three and six month periods, respectively, ended June 30, 2016.

c) At June 30, 2016, accounts payable and accrued liabilities included $167,500 (June 30, 2015: $44,500) due to directors of the Company.

d) The Company issued a promissory notes for $146,250 for funds received from a directors of the Company. The promissory notes bears interest at 12% and is payable on demand.

1.8 Proposed Transactions

There are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material effect on the financial condition, results of operations or cash flows of the Company.

1.9 Standards, amendments and interpretations adoptions

The Company has adopted the new and revised standards and interpretations issued by the IASB or IFRIC listed below effective January 1, 2014. The adoption of these standards did not have a material impact on the financial statements of the Company.

- ***IFRS 10, IFRS 12 and IAS 27 (2011 Amendments)***

Amendments to IFRS 10, IFRS 12 and IAS 27 provides an exception to consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them.

- ***IAS 32 Financial Instruments: Presentation (Amendment)***

Amendments to IAS 32 clarify matters regarding offsetting financial assets and financial liabilities as well as related disclosure requirements.

- ***IAS 36 Financial Instruments: Presentation (Amendment)***

Amendments to IAS 36 align the disclosures required for the recoverable amount of an asset (or cash generating unit) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use.

- ***IAS 39 Financial Instruments: Recognition and Measurement (Amendment)***

Amendments to IAS 39 allows hedge accounting to continue when derivatives are novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

- ***IFRIC 21 Levies***

IFRS IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

- ***Amended standard IAS 1 Presentation of Financial Statements***

The amendments to IAS 1 pertain to the number of comparative financial statements required in different circumstances and disclosure required in the statement of comprehensive loss. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements

Standards issued but not yet effective

The standards and interpretations that are issued up to the date of issuance of the Company's financial statements, but were not effective during the year ended December 31, 2014 are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 5 Amendment	Amendments to IFRS 5 Non Current Assets Held for Sale and Discontinued Operations[(i)]
IFRS 7 Amendment	Amendments to IFRS 7 Financial Instruments: Disclosures[(i)]
IFRS 9	Financial Instruments[(iii)]
IFRS 10 and IAS 28 Amendments	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures[(i)]
IFRS 11 Amendments	Amendments to IFRS 11 Joint Arrangements[(i)]
IFRS 15	Revenue from Contracts with Customers[(ii)]
IAS 1 Amendments	Amendments to IAS 1 Presentation of Financial Statements[(i)]
IAS 16 and IAS 38 Amendments	Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets[(i)]

IAS 34 Amendments Amendments to IAS 34 Interim Financial Reporting(i)

Effective for annual periods beginning on or after January 1, 2016

Effective for annual periods beginning on or after January 1, 2017

Effective for annual periods beginning on or after January 1, 2018

The Company is in the process of assessing the impact of the adoption of these standards and interpretations.

1.10 Financial and Other Instruments

Due to their short-term nature, the carrying amount for cash is measured at fair value while accounts payable and accrued liabilities are measured at amortized cost.

See Notes 3 and 8 of the Company's December 31, 2014 Audited Financial Statements for further details of the Company's use of financial instruments.

1.11 Other MD&A Requirements

Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value of which there were 4,984,630 common shares issued and outstanding as at June 30, 2016 and August 29, 2016.

As at August 29, 2016, the following stock options and share purchase warrants were outstanding:

Type of Convertible Security	Aggregate Number of Shares Issuable on Exercise(1)	Exercise Price(1)	Expiry Date
Stock Options		$	
	65,000	$0.50	February 23, 2017
Total Stock Options as at August 24, 2016	**65,000**		
Warrants			
	1,400,000	$0.50	April 15, 2017
Total Warrants as at August 24, 2016	**1,400,000**		

(1) On May 24, 2016, the Consolidation was completed, pursuant to which the Company's outstanding common shares were consolidated on the basis of five (5) pre-Consolidation shares for one (1) post-Consolidation share. The number of convertible securities outstanding and their respective exercise prices have been adjusted to reflect the Consolidation.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercial viable resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed. The following is a summary of some of the risk factors affecting the Company and its exploration activities:

Fluctuation of metal prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

General economic conditions: Many industries, including the gold and base metal mining industry, have been impacted by global market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Going Concern: The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. At June 30, 2016, the Company had a working capital deficit of $1,080,953 and has not yet achieved profitable operations. In addition the Company has an accumulated deficit of $17,037,751 and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

Share Price Volatility: During the past three years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.** Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient financial resources: There is substantial doubt that the Company can continue due to its limited working capital. The Company may not acquire sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means.

There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining industry is intensely competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental restrictions: The activities of the Company are subject to environmental regulations by government agencies. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Dependence upon others and key personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on the potential mineral properties the Company plans to acquire; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Surface rights and access: Although the Company may acquire the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to its property.

Exploration and mining risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, 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, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited experience with development-stage mining operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

No assurance of profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company does not anticipate paying dividends in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or uninsurable risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Additional Information

This MD&A of the financial position and results of operations of the Company is dated as of May 30, 2016 and should be read in conjunction with the condensed audited financial statements for the year ended December 31, 2015. Additional information relating to the Company can be accessed through the Company's public filings on SEDAR at www.sedar.com.