CKR CARBON CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(Form 51-102F1)
For the Twelve Months Ended December 31, 2016

This MD&A is dated April 28, 2017

CKR Carbon Corporation (hereafter the "Company" or "CKR Carbon Corporation"), which was incorporated under the Business Corporations Act (Ontario), R.S.O. 1990, on February 27, 2007 and is listed on the TSX Venture Exchange ("TSX-V"). The Company's corporate office is located at 96 Avenue Road, Toronto, Ontario, Canada. The Company is a junior exploration company primarily engaged in the acquisition and exploration of exploration and evaluation assets located in Canada and Namibia.

The following is the management discussion and analysis ("MD&A") of the financial condition, changes in financial condition and results of operations of CKR Carbon Corporation for the twelve months ended December 31, 2016. The MD&A should be read in conjunction with the audited financial statements of the Company for the twelve months ended December 31, 2016 (www.sedar.com) which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of financial statements, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The reader should also refer to the financial statements for the year ended December 31, 2015. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Unless otherwise specified, all dollar amounts herein and therein are expressed in Canadian currency.

Additional information on the Company may be found on SEDAR on www.sedar.com

Forward-Looking Information

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") and the Company's annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

Annual Information

	2016	2015	2014
	$	$	$
Revenue	0	0	0
Loss and comprehensive loss for the year	(612,313)	(535,053)	(946,127)
Loss per common share	(0.02)	(0.03)	(0.17)
Weighted average number of common shares	32,858,114	16,368,054	5,510,230
Statement of Financial Position data			
Working capital (deficit)	(15,945)	(300,182)	(843,149)
Total assets	2,816,063	1,410,906	676,646

Overall Performance and Results and Operations

During the year ended December 31, 2016, the Company incurred a loss and comprehensive loss of $612,313 (2015 - $535,053).

i) $514,367 was invested in exploration and evaluation of the Company's Aukam graphite project in Namibia.

ii) Consulting fees incurred in the year were $61,250 compared to $128,142 incurred in 2015.

iii) Office and other decreased to $38,721 (2015 - $97,261) primarily due to the move of the Company's head office from Vancouver to Toronto on October 2015 and a decrease in administrative costs charged by a corporation owned by the former CEO.

iv) Share based compensation decreased to $49,673 (2015 - $124,066) primarily due to a decrease in the number of options granted and a decrease in the volatility factor used in the Black Sholes calculation to determine fair value of the options issued.

v) Investor relations expenses during the year were $24,719 (2015 - $17,716)

vi) Marketing expenses of $67,086 were incurred in the year to develop markets for the Company's graphite. Marketing expenses incurred in 2015 were $15,490.

vii) $162,821 was expensed to write-off the exploration and evaluation assets associated with the Tac and Lac Vert properties.

viii) Management fees in 2016 of $119,750 were comparable with the mamagement fees of $119,410 incurred in 2015.

Fourth Quarter

During the quarter ended December 31, 2016, the Company incurred a loss and comprehensive loss of $280,562 (2015 - $297,857).

i) During the quarter the Company decided not to continue exploring the Tac and Lac Vert properties and have written off all costs associated with the properties resulting in the amount of $162,821.

ii) Completed a private placement of 12,099,738 units at a price of $0.08 per unit for a total proceeds of $967,979. Each unit consisted of one common share and one half common share purchase warrant. Each whole warrant will entitle the holder to purchase one share at an exercise price of $0.15 per share until November 4, 2017.

iii) Completed a private placement of 1,333,334 flow through common shares at a price of $0.09 per share for a total proceeds of $120,000. A fair value of $13,333 was attributed to the flow through premium liability.

iv) Acquired property in the town of Luderitz, Nambia in the acquisition of Ludbay Properties Pty Ltd. In consideration for all the outstanding shares of Ludbay, the Company issued 3,500,000 shares valued at $315,000, paid cash of $50,000, assumed restricted cash of $16,329, accounts payable of $20,743 with the net amount of $ 369,434 allocated to land.

The property covers 6,564 square metres and contains three buildings: a large warehouse, a double garage with six storerooms/workshops and a single garage with two offices and a store room. The company intends to use the warehouse for the processing and packaging of graphite from the Aukam Graphite Mine. The property gives CKR waterfront access to the Port of Luderitz and to container facilities enabling direct delivery to ports in Europe, Asia and North America. Traditionally dominated by diamond mining and fisheries, the Port of Luderitz in Namibia has recently expanded its facilities to meet the demands of modern industries including mineral development and oil and gas production. Recent upgrades include a 500m long quay providing cargo handling and container facilities and a new mobile harbour crane that can handle containers and break-bulk cargo up to 64 tonnes. In recent years, the port has handled over 300,000 tonnes of cargo and had 900 to 1,000 vessel visits each year. Transit time to Hamburg, Germany is approximately 19 days.

v) Invested $216,760 in evaluation, environmental impact assessments and site infrastructure at its Aukam project.

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters.

Three Months Ended	December 31 2016	September 30 2016	June 30 2016	March 31 2016
Interest Income	$ -	$ -	$ -	$ -
Exploration and evaluation assets	1,972,749	1,724,845	1,605,714	1,393,722
Deficit	8,419,027	8,138,464	8,069,577	7,909,042
Total Assets	2,816,063	1,783,880	1,822,070	1,420,509
Net and Comprehensive Loss	280,562	68,887	160,536	102,328
Basic and Diluted Loss Per Share	0.008	0.002	0.005	0.005

Three Months Ended	December 31 2015	September 30, 2015	June 30, 2015	March 31 2015
Interest Income	$ -	$ -	$ -	$ -
Exploration and evaluation assets	1,387,722	1,256,965	748,088	678,523
Deficit	7,806,714	7,710,827	7,569,517	7,396,634
Total Assets	1,410,906	1,306,967	801,579	847,406
Net and Comprehensive Loss	95,887	141,310	172,883	124,973
Basic and Diluted Loss Per Share	0.01	0.005	0.01	0.01

Subsequent events

Subsequent to December 31, 2016, the Company:

a. Completed a private placement of 15,045,000 units at a price of $0.09 per unit for aggregate gross proceeds of $1,354,050. Each unit consisted of one common share and one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase an additional common share in the capital of the Company at a price of $0.20 per share until March 29, 2020.

   Completed a private placement of 4,100,000 flow-through units at a price of $0.10 per unit for aggregate gross proceeds of $410,000. Each flow-through unit consisted of one flow through share and one flow through share purchase warrant of the Company. Each warrant will entitle the holder to purchase one flow through common share in the capital of the Company at a price of $0.20 per warrant until March 29, 2020.

   The Company paid to the finders cash compensation of $176,405 and issued 1,504,500 broker warrants in relation to the sale of the non-flow through units with an exercise price if $0.09 and 410,000 broker options in relation to the flow through units.

b. Issued 4,650,000 options to purchase common shares of the Company to officers and directors of the Company at an option price of $0.17 for a term of five years.

c. Issued 1,241,877 common shares upon exercise of warrants for gross proceeds of $116,931.

d. Received 51.84% of outstanding shares of Gazania Investments Two Hundred and Forty Two Pty Ltd. as a result of earning a 51.84% participating interest in the Aukam license .

Mineral Properties / Exploration and Evaluation Assets

The technical content of the mineral property disclosure in this MD&A has been reviewed and approved by Dr. Roger Moss, a qualified person as defined by National Instrument 43-101. Except where noted the property disclosure in this MD&A has not been the subject of a National Instrument 43-101 report.

Montpellier Graphite Property, Quebec

On December 9, 2013, the Company entered into an option agreement, with a corporation that is related by virtue of a common director, to acquire certain claims located in the Hartwell Township, Casse Laurentides Region in Quebec. As consideration, the Company must:

i) issue 400,000 common shares (issued at a value of $210,000);
ii) issue 66,667 common shares by December 9, 2014 (issued at a valued at $6,000);
iii) incur $50,000 in exploration expenditures by December 9, 2015. (The Company issued 400,000 common shares at a value of $34,000 on October 12, 2016 in satisfaction of this condition.)

The vendors have been granted a 2% net smelter royalty ("NSR"). The Company has the right to repurchase a 1% NSR from the vendors for $1,000,000.

The property hosts graphite mineralization in a zone 15 meters wide, and has been delineated over a strike length of 250 meters by historical drilling and trenching. The historical drilling at Montpellier included one drill hole with a weighted average of 10.47% Cg (Carbon as graphite) over 44.97 meters and 12.33% Cg over 21.64 meters. (*1984, Ministere de l'Energie et de Ressources Quebec,Report Nos. GM42965, 80p; GM41744, 41p.*). Note that estimates of true thickness were not determined in the historical drilling. Two other graphite zones occur 575 meters east of the main zone of mineralization.

During 2016 an airborne electromagnetic and magnetic survey was carried out over the property to determine possible extensions to the graphite mineralization. Results of the survey indicate a single, wide, prospective area defined by electromagnetic conductors and associated magnetic anomalies that appear to be folded into a "C" shape about an east-west trending axis. The strike length of the folded conductors and associated magnetic anomalies is more than 2.2 kilometres, as such this area will be investigated further during 2017.

Tac, Lac Vert and Buckingham, Quebec

In February 2013, the Company entered into an option agreement, amended on April 22, 2014, to acquire a 100% interest in the Tac, Lac Vert and Buckingham properties located in the Province of Quebec. In consideration, the Company will:

i) issue 266,667 common shares (issued at a value of $160,000);
ii) issue 66,667 common shares by April 6, 2014 (issued at a value of $30,000);
iii) issue 33,333 common shares by September 16, 2014 (issued at a value of $1,500);
iv) issue 33,333 common shares by March 15, 2015 (issued at a value of $4,000);
v) spend exploration expenditures of $40,000 on or before May 31, 2013 (incurred);

vi) spend exploration expenditures of $110,000 by February 25, 2016 (incurred).

The Company also issued 26,667 common shares (at a value of $16,000) as a finder's fee.

The vendor has been granted a 3% NSR. The Company has the right to repurchase a 1% NSR from the vendor for $1,000,000.

No work was carried out on the Tac and Lac Vert properties during 2016.
During the year ended December 31, 2016, the Company decided not to continue exploring the Tac and Lac Vert properties and have written off all costs associated with the properties resulting in the amount of $162,821.

Work on the Buckingham project included an airborne magnetic and electromagnetic survey that was followed up with a trenching program.

The airborne time domain electromagnetic (TDEM) survey flown over the Buckingham project resulted in several anomalies. The largest conductor stretches over 1.54 kilometres in a northeast-southwest direction. The northeastern portion of this conductor is coincident with graphite mineralization in the Case Zone from which 35 grab samples collected in 2015, yielded values ranging from 1.6% carbon as graphite (Cg) to 28.7% Cg (See news releases dated May 22, 2015 and November 4, 2015). The length of the conductor suggests that the Case Zone may be longer than previously thought.
The trenching tested the long TDEM conductor with five trenches from 15 to 70 metres long oriented perpendicular to the conductor axis. A sixth trench, of approximately 30 metres, tested a smaller adjacent conductor. All trenches uncovered zones of graphite mineralization hosted primarily by paragneiss. Highlights of the trench sampling include 8.33% Cg (Carbon as graphite) over 11.3 metres, 2.76%Cg over 15 metres, 2.23% Cg over 27 metres and 1.52% Cg over 65.5 metres (See table below). Individual samples assayed between 0.02% Cg and 17.3% Cg, with an average of 1.92% Cg for the 158 samples.

Trench ID	**Width (m)***	**Cg (%)**
10	18.8	5.22
including	11.3	8.33
3	27	2.23
including	4.9	5.84
6	12.5	1.60
including	9.0	2.03
2	65.5	1.52
including	15.1	2.76
5	No Significant Results	

*Not true width. Insufficient information available to determine true width

Aukam Graphite Mine, Namibia

During the year ended December 31, 2015, the Company acquired 100% of the issued and outstanding share capital of Micron Investment Pty. Ltd. ("Micron') which held an option to acquire 63% of the Aukam Exclusive Prospecting License (EPL) 3895 (the "License") located in Namibia's Karas Region, Africa, which has been accounted for as an asset acquisition. In consideration for transfer of the option and net assets of $39,255, the Company issued 3,500,000 common shares (issued at a value of $350,000) and agreed to pay $30,000 in cash. The excess amounts paid over net assets acquired were allocated to the mineral property.

As per a Joint Venture Agreement dated June 8, 2015, amended July 17, 2015 between Micron and Next Graphite Pty. Ltd. ("Next") and a subsequent Farm-out Agreement dated September 12, 2016, between the Company, and Next, the Company can earn 63% of the License by:

- i) Spending USD $1,100,000 on the property; or
- ii) Completing the plant and infrastructure set up; and
- iii) Obtaining government authorization to begin commercial operations; and
- iv) Making quarterly payments for a total of USD$180,000 (USD$132,500 paid ($177,634 CDN). during the farm-out period (from June 8, 2015 until i, ii and iii are complete); and

The Company shall have the option to buy an incremental 10% of Next's remaining interest for a cash payment of $180,000 if mutually agreed to by the parties. Should the Farm-out period need to be extended beyond six months following receipt of a mining license, Next will continue to be paid USD$25,000 until ii and iii are completed. In the case where the Farm-out period is extended as above and the revenue is less than USD$100,000 per month, the Company will loan Next US$25,000 per quarter. Interest on the loan will be compounded monthly at a rate equal to one-month term LIBOR plus one.

Should the Company fail to provide payment or work expenditures for any farm-out period or fail to complete ii) and iii) above 6 months after receipt of the mining licence it will forfeit 2% of its interest for each 30-day delay.

Following conclusion of the Farm-out period the Company will for the first 5 months fund all operations to run all plant related activities and expenditures. Thereafter, each party will contribute funding proportionate to their respective holdings.

As at December 31, 2016, The Company had earned a 51.84% participating interest in the Aukam license. There is a 2% gross revenue royalty on the Aukam Mine.

Work on the Aukam project during 2016 included bulk sampling, rehabilitating the historic mine, setting up of site infrastructure, including ventilation system for the mine, environmental impact assessments and a geophysical survey.

Bulk sampling of the Aukam dumps was undertaken with the dump material screened and hand sorted to produce a graphitic stockpile. Approximately 160 kilograms of material in seven samples taken from a 1.6 tonne sample of the screened and sorted material assayed 55.64% Cg (carbon as graphite) to 63.87% Cg with an average of 59.40% Cg (See results below). While these samples were selected from the larger 1.6 tonne sample of the dump material, they are not considered representative of the mineralization on the property as a whole.

Sample Number	Carbon as Graphite (%)
1975	57.50
1980	63.87
2015	55.64
2075	58.66
2080	58.75
2225	60.86

2345	60.49
Average	**59.40**

Rehabilitation of the mine included the surveying of the underground adits and open pit, and barring down and blasting of loose material in the adits in order to make the workings safe for underground exploration. Two adits were surveyed, the lower adit extends into the hillside for a total of 165 metres with two of the largest stopes, each over two metres wide, occurring near the end of the adit. The upper adit, located 27 metres above the lower adit extends into the hillside for 75 metres. Both adits end directly below the open pit, which is located approximately 30 metres above the upper adit and 57 metres above the lower adit. This suggests that graphite veins observed at surface in the open pit, extend 57 metres down dip to the stopes in the lower adit.

Recent mapping and sampling of the veins in the lower adit (see News Release dated July 12, 2016) indicate that they continue below the level of the adit suggesting further exploration potential. Chip channel samples were taken from three graphite veins exposed in the lower adit and assayed from 18.34% Cg to 56.06% Cg (see table below). The first sample was taken close to the entrance to the adit and assayed 18% Cg (carbon as graphite) over 0.9 metres (true width of 0.85 metres). A second sample was taken at the intersection of the adit with a crosscut and assayed 41.98% Cg over 0.84 metres (true width of 0.83 metres). The third sample was taken from the wall of a 2.2 metre wide stope near the end of the adit and assayed 52.08% Cg. With the exception of the low grade sample RM-001, results of these assays are consistent with historical assays of graphite veins that range from 41.21 to 68.85% Cg.

Sample Number	Sample Type	Description	True Thickness (m)	Carbon as Graphite (Cg %)
RM-001	Channel chip	Graphite Vein	0.85	18.34
RM-002	Channel chip	Graphite Vein	0.83	41.98
RM-003	Channel chip	Graphite Vein	Unknown	56.06

Part of the mine rehabilitation involved the installation of an underground ventilation system to ensure proper venting of gases following blasting. The system was procured and installed by CKR staff and completed two weeks ahead of schedule and approximately 40% under budget.

Environmental impact assessments (EIA) were started for a mining operation at Aukam and a 5,000 tonne per annum plant at the warehouse facility in Luderitz. The EIA for the Aukam operation was completed subsequent to year end and has been submitted to the Ministry of Environment and Tourism. The Luderitz EIA is ongoing and expected to be completed soon.

A horizontal loop electromagnetic (Max-Min) survey was undertaken around the old workings to determine the extent of graphite mineralization. The survey had a line spacing of 50 metres, station interval of 25 metres and coil spacing of 100 metres initially. Following a review of preliminary data, several lines were run at a station interval of 10 metres and coil spacing of 50 metres for better resolution over the main anomalies.

The results of the survey showed a 700 metre long anomaly extending east-northeast along strike from the known graphite deposit at Aukam. The anomaly includes the known graphite occurring in the old workings and shows indications of the three vein lodes. In addition, an anomaly 200 metres to the east, similar in size and intensity, suggests the possibility of additional near surface graphite mineralization. The anomaly is open ended to the east and west and is coincident with a shear zone that may be one of the controls on the location of the graphite mineralization.

Marketing of Aukam graphite continued during 2016. On March 16, the Company announced a letter of intent with a a vertically integrated graphite producer that was subsequently expanded on in a definitive agreement to supply an initial 5,000 tonnes of graphite per annum following a positive production decision expected during 2017. The agreement is for ten (10) years and the Producer has the option to renew the agreement for a further ten (10) years.

Aukam graphite also underwent testing for graphene related technology with favourable initial results indicating chemical and physical similarity of Aukam mineralization to that from Sri-Lanka.

Financial Instruments and Risks and Uncertainties:

Fair value

Given that they will mature shortly, the fair value of receivable, accounts payable and accrued liabilities approximate their carrying value.

Financial Risk

The primary goals of the Company’s financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company’s objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company’s net assets from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties. The Company’s exposure to potential loss from financial instruments is primarily due to credit risk, liquidity risk and various market risks, including interest rate and foreign exchange.

Foreign Exchange

The Company's cash is held in US dollar, Namibian dollar and Canadian dollar denominated accounts with a major Canadian chartered bank and with a bank in Namibia. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates with respect to the US dollar. The Company has not utilized derivative instruments to reduce its exposure to foreign currency risk.

Interest Rate Risk

Fluctuations in interest rates have only an impact on the return that the cash and cash equivalents generates as interest income. Unfavorable changes in the applicable interest rate may result in a decrease of interest income.

The Company has limited exposure to financial risk arising from fluctuations in interest rates earned on short-term investments given their short-term nature. As a result fluctuations in market interest rates during the current period would not have any material impact on the Company’s financial results.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. The Company’s ability to meet its commitments for exploration programs, and meet all of its general and administrative costs on a continuous basis is dependent on the continued support of the financial markets. In particular, the Company may have to issue additional common shares. The Company is exposed to liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. All of the cash is held with one financial institution in Canada. Consequently the Company is exposed to concentration of credit risks of that institution. However, the credit risk is limited, based on the high quality external credit rating of that institution.

Political Risk

The Company has subsidiaries in Namibia. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

Capital Management

The Company considers the items included in equity as share capital. The Company's objective in managing capital is to ensure sufficient liquidity to pursue its exploration activities and may raise additional capital through the equity markets as additional capital is required. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

There was no change in the Company's capital management strategy during the year ended December 31, 2016.

Market Risk

There is no open trading market for graphite in the way there is for other base metals such as zinc,copper and nickel. The Company needs to market their graphite and secure purchase orders or supply contracts with graphite processors or users.

Liquidity and Capital Resources

On December 31, 2016, the Company had a working capital deficiency of $15,945 (December 31, 2015 - $300,182) .

Accounts payable and accrued liabilities totaled $407,000 on December 31, 2016. Of this amount, $98,000 or 24% represents amounts owing to management for unpaid management fees and $92,000 is related to unpaid marketing and project management fees to one consultant.

During the period from January 1, 2016 to December 31, 2016, the Company:

i) closed debt settlements and issued 764,712 common shares to creditors to settle debts aggregating $59,946.

ii) granted 1,350,00 stock options to directors, officers and consultants of the Company, exercisable at an average price of $0.09 per share for a period of up to five years.

iii) completed a private placement of 8,692,714 units at a price of $0.07 per unit for aggregate gross proceeds of $608,490. Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase an additional common share in the capital of the Company at a price of $0.13 per share until May 3, 2017.

iv) completed a private placement of 12,099,738 units at a price of $0.08 per unit for a total proceeds of $967,979. Each unit consisted of one common share and one half common share purchase warrant. Each whole warrant will entitle the holder to purchase one share at an exercise price of $0.15 per share until November 4, 2017.

v) completed a private placement of 1,333,334 flow through common shares at a price of $0.09 per share for a total proceeds of $120,000. A fair value of $13,333 was attributed to the flow through premium liability.

vi) issued 3,500,000 shares valued at $315,000, paid cash of $50,000, assumed restricted cash of $16,329, accounts payable of $20,743 to acquire property in the town of Luderitz Namibia.

vii) issued 400,000 common shares at a value of $34,000 on October 12, 2016 in satisfaction of an obligation to incur $50,000 of exploration expenditure on the Montpellier property.

Transactions with Related Parties

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2016, the Company:

i. paid or accrued management fees of:
   a. $85,250 (2015 – 22,000) to the CEO and a company controlled by the CEO.
   b. $Nil (2015 - $70,875) to the former CEO and a company controlled by the former CEO.
   c. $Nil (2015 - $26,535) to a former director and former CFO of the Company through a company controlled by the former CEO.
   d. $31,500 (2015 - $nil) to the CFO of the company.

ii. paid or accrued exploration costs of $20,119 (2015 - $nil) to the CEO and a company controlled by the CEO.

iii. paid or accrued office and other expenses of $nil (2015 – $53,265) to a company controlled by the former CEO and director of the Company for rent, administration, consulting, and general.

iv. received and repaid advances of $20,200 from the CEO (Note 6).

v. granted a total of 1,100,000 stock options (2015 – 730,000) to officers and directors of the Company, of which the fair value was estimated at $40,802 (2015 - $30,439) and was included in share share-based compensation expense.

At December 31, 2016, $80,836 (2015 - $ 16,679) was owing to the CEO and $16,950 (2015 - $nil) to the CFO recorded in accounts payable and accrued liabilities. $Nil (2015 - $10,325) was owing to a company controlled by the former CEO.

During the year, the Company received and repaid $nil (2015 - $3,800) in short term loans to a company controlled by the former CEO.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Disclosure of Outstanding Share Data

As of April 28, 2017, the Company had the following outstanding:

Common shares - 70,918,769 common shares

Options

Expiry Date	Number of Options	Exercise Price
June 25, 2017	250,000	0.13
July 3, 2017	80,000	0.13
August 28, 2017	270,000	0.10
September 3, 2018	6,667	0.75
September 25, 2018	23,333	1.05
January 15, 2018	200,000	0.10
February 17,2016	850,000	0.10
January 27,2019	33,334	0.75
September 22, 2021	300,000	0.075
April 4, 2022	4,650,000	0.17
	6,663,334	

Warrants

Expiry Date	Number of Warrants	Exercise Price
April 28, 2017	750,000	0.13
May 3, 2017	3,096,357	0.13
May 3, 2017	370,938	0.07
November 4, 2017	6,049,869	0.15
November 4, 2017	1,164,658	0.08
November 4, 2017	582,327	0.15
November 4, 2017	133,333	0.09
March 29, 2020	15,045,000	0.20
March 29, 2020	1,504,500	0.09
March 29, 2020	1,504,500	0.20
March 29, 2020	410,000	0.10
	30,611,482	

Newly adopted and pending accounting policies

Please refer to the December 31, 2016 consolidated financial statements on www.sedar.com.

Financial Instruments

Please refer to the December 31, 2016 consolidated financial statements on www.sedar.com .