METROPOLITAN ENERGY CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended January 31, 2015

Metropolitan Energy Corp.

Management's Discussion and Analysis
For the year ended Jan 31, 2015

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Metropolitan Energy Corp. (the "Company" or "Metropolitan") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended January 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's audited annual financial statements for the years ended January 31, 2015 and 2014. All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results for the years presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 27, 2015, unless otherwise indicated. The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Metropolitan's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") may contain certain forward-looking statements and information relating to Metropolitan that are based on the beliefs of its management as well as assumptions made by and information currently available to Metropolitan. These forward-looking statements are made as of the date of this document and Metropolitan does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Metropolitan's exploration properties. Such statements reflect the current views of Metropolitan based on its experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Metropolitan to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Metropolitan Energy Corp.

(Formerly Metropolitan Mining Inc.)

Management's Discussion and Analysis
For the year ended January 31, 2015

DESCRIPTION OF BUSINESS

Metropolitan Energy Corp. was incorporated on July 16, 2007 under the Business Corporations Act of British Columbia and is engaged principally in the acquisition, exploration and development of mineral resource properties. The Company is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia and its common shares trade on the TSX Venture Exchange (the "Exchange") under the symbol "MOE".

The Company currently does not carry on an active business. Metropolitan continues to actively identify and evaluate assets and businesses including those from different business sectors or industries, with a view to completing an acquisition of a business or assets that is suitable for the Company.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business, the following risk factors, among others, will apply:

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 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.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or loans. While the Company may generate additional working capital through further equity offerings or loans, 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.

Dependence Upon Others and Key Personnel: The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additionally highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility: In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. 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 to fund working capital requirements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and loans, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in curtailment of operations.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake mineral property acquisitions. Such acquisition will depend upon the Company's ability to obtain financing through 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 not being able to acquire an asset or mineral property and maintain an active business.

Dilution to the Company's existing shareholders: The Company will require additional equity financing be raised in the future. The Company may issue securities on less than favourable 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.

SELECTED ANNUAL FINANCIAL RESULTS

The following selected financial data with respect to the Company's financial condition and results of operations have been derived from the audited financial statements of the Company for the years ended January 31, 2015, 2014 and 2013. The selected financial data should be read in conjunction with those financial statements and the notes thereto. In $000's except per share amounts:

	2015	2014	2013
Total revenue	$Nil	$Nil	$Nil
Net loss	$56	$82	$191
Basic and diluted loss per share	$0.01	$0.01	$0.02
Total assets	$0.1	$10	$69
Total long term liabilities	$Nil	$Nil	$Nil
Cash dividends declared per share for each class of share	$Nil	$Nil	$Nil

SELECTED QUARTERLY FINANCIAL PERFORMANCE

The following table sets out selected quarterly financial results, in $000's except per share amounts:

	Jan 31, 2015	Oct 31, 2014	July 31, 2014	Apr 30, 2014	Jan 31, 2014	Oct 31, 2013	July 31, 2013	April 30, 2013
Financial Results:								
Net Revenue	$-	$-	$-	$-	$-	$-	$-	$-
Net loss for period	$19	$8	$15	$14	$48	$10	$6	$18
Basic and diluted loss/share	$0.006	$0.001	$0.002	$0.001	$0.006	$0.001	$0.001	$0.002
Expenditures on exploration and evaluation	$-	$-	$-	$-	$-	$-	$-	$-
Balance Sheet Data:								
Cash and cash equivalents	$0.1	$0.1	$0.2	$2	$10	$18	$28	$50
Total assets	$0.1	$0.1	$0.2	$2	$10	$20	$29	$52
Shareholders' equity (deficiency)	($83)	($64)	($56)	($43)	($29)	$19	$29	$35

There are no general trends regarding the Company's quarterly results. Quarterly results may vary significantly depending mainly on the Company's current business activities or whether the Company granted any stock options. These factors may account for material variations in the Company's quarterly net losses and are not predictable. The factor which has had the most material effect on quarterly results is the granting of stock option due to the resulting share-based compensation charges which may be significant when they arise.

The Company has an arrangement with a reporting issuer with common officers related to shared office space and administrative expenses which include accounting, financial reporting and administration. During the year, the Company renegotiated the terms of its arrangement with the related issuer. This accounted for the variation in office and miscellaneous during the quarters ended April 30, 2013, July 31, 2013, October 31, 2013 and January 31, 2014. The variation in management fees during the quarter ended January 31, 2014 relate to a payment for evaluation of projects and due diligence. General and administrative costs other than the specific items noted above tend to be quite similar from period to period.

RESULTS OF OPERATIONS

During the year ended January 31, 2015, the Company reported a net loss of $56,275 compared to a net loss of $81,980 during the year ended January 31, 2014, representing a decrease in loss of $25,705. The decrease in loss was primarily attributable to the decrease in general and administrative expenses of $29,998 partially offset by an increase in financing costs of $4,230.

Finance costs was $4,310 during the year ended January 31, 2015 compared to $80 during the year ended January 31, 2014. The increase resulted from the Company's issuance of 27,500 bonus shares at a value of $2,200 in consideration for a loan of $11,000 from an arms-length party and interest of $1,936 on the loan.

During the year ended January 31, 2014, the Company accrued aggregate management fees of $18,000 to a company controlled by a director of the Company for services related to evaluation of projects and due diligence. No such fees were paid or accrued in the current period.

For the years ended January 31, 2014 and 2015, the Company has had no active operations. There is no source of operating income and losses are expected to continue. Net loss, quarter over quarter, is affected by the level of general corporate activity and project evaluation undertaken during the period.

FOURTH QUARTER

During the three months ended January 31, 2015, the Company reported a net loss of $19,238 compared to a net loss of $47,690 during the three months ended January 31, 2014, representing a decrease in loss of $28,452. The decrease in loss was primarily attributable to a decrease in general and administrative expenses of $29,253 offset by an increase in financing costs of $801.

During the three months ended January 31, 2014, the Company accrued aggregate management fees of $18,000 to a company controlled by a director of the Company for services related to evaluation of projects and due diligence. No such fees were paid or accrued in the current period.

As an exploration stage company, there is no source of operating income and losses are expected to continue. Net loss, quarter over quarter, is affected by the level of general corporate activity, exploration and project evaluation undertaken during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no revenue generating operations from which it can internally generate funds. The Company has financed its operations and met its capital requirements primarily through short-term loans and the issuance of capital stock by way of private placements and the exercise of share purchase warrants previously issued.

Working capital as of January 31, 2015 was a deficiency of $83,160 as compared to a deficiency of $29,085 as at January 31, 2014.

		January 31, 2015		January 31, 2014
Working capital (deficit)	$	(83,160)	$	(29,085)
Deficit	$	1,938,828	$	1,885,453

Net cash on hand decreased by $9,881, from $9,978 at January 31, 2014 to $97 at January 31, 2015. The decrease in cash resulted mainly from net cash used for operations.

Subsequent to January 31, 2015, the Company raised $30,000 by way of unsecured loans at a rate of interest at 18% per annum, compounded monthly. The loans mature on April 22, 2016 and if not repaid at maturity, interest will be charged at 24% per annum. Of the total loans, $20,000 was from a director of the Company. In consideration for the loans, the Company issued 120,000 common shares of the Company to the lenders at a fair value of $6,000.

On May 21, 2015, the Company signed an amended letter agreement granting the Company an extension to the term of the $11,000 loan entered into in the second quarter of 2014, from May 28, 2015 to November 28, 2015.

As of the date of this MD&A, financing for the Company's operations is also potentially available through the exercise of stock options and share purchase warrants. See "Outstanding Share Data" below. However, there can be no assurance that any of these outstanding convertible securities will be exercised, particularly if the trading price of the common shares on the Exchange does not exceed, by a material amount and for a reasonable period, the exercise price of such convertible securities at some time prior to their expiry dates.

The Company has not entered into any long-term lease commitments.

The Company does not have sufficient capital resources to fund its identification and evaluation of potential businesses and/or assets as well as its general corporate obligations for next twelve months. The Company is currently seeking additional debt or equity financing to fund its working capital requirements. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing or that such financing will be available on acceptable terms.

USE OF ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas requiring a significant degree of estimation include fair value measurements for share-based payments including warrants. The fair value of share-based payments are determined using a Black Scholes option pricing model which requires the estimation of expected share price volatility, forfeiture rates, option and warrant life, and dividend yield and requires the estimation of an applicable discount rate. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years may differ from those estimates.

The presentation of these financial statements requires judgments regarding the ability of the Company to continue as a going concern, as described in Note 1 to the Company's financial statements for the year ended January 31, 2015.

RECENT ACCOUNTING PRONOUNCEMENTS

There were no new standards effective February 1, 2014 that had an impact on the Company's financial statements. The following IFRS standards have been recently issued by the IASB or the IFRIC. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein. The Company is assessing the impact of the following new standard, but does not expect it to have a significant effect on the financial statements.

IFRS 9, Financial Instruments

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 will replace the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has been set for January 1, 2018, however early adoption of the new standard is permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is currently not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given of the nature of the Company's operations and the types of financial instruments that it currently holds.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Readers are directed to the financial statements for the years ended January 31, 2015 and 2014 for a detailed breakdown of expenses.

RELATED PARTY TRANSACTIONS

During the years ended January 31, 2015 and 2014, the Company entered into certain transactions with related parties. Any amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

A description of the related party transactions is as follows:

Name and Relationship to Company	Transaction	Three months ended January 31, 2015	Year ended January 31, 2015	Year ended January 31, 2014
Max Pinsky Law Corporation, a company controlled by Max Pinsky, Secretary of the Company	Legal fees	$nil	$nil	$152
EHR Enhanced Hydrocarbon Recovery Inc., a company controlled by Graeme Lynch, a director of the Company	Management fees	$nil	$nil	$18,000
Avarone Metals Inc. (formerly Remstar Resources Ltd.), (1) a company with a director and officers in common	Office, rent and administration	$6,300	$25,200	$29,000
Ultra Lithium Inc., (2) a company with common officers	Rent	$nil	$nil	$3,600

(1) The Company entered into a month-to-month arrangement with Avarone Metals Inc. ("Avarone") whereby Avarone provides for office premises and support related to accounting, administration and financial reporting.

(2) The Company entered into a month-to-month arrangement for the rental of office premises. Rent was cancelled effective March 2013.

Included in accounts payable and accrued liabilities was an aggregate of $56,378 (2014 - $30,600) due to a company controlled by a director of the Company and to companies having officers in common.

Included in accounts payable and accrued liabilities was an aggregate of $1,636 (2014 - $nil) due to an officer of the Company.

Amounts due to related parties are unsecured, non-interest bearing and has no specific terms of payment.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at May 27, 2015, there were 9,140,499 shares issued and outstanding.

The following stock options were outstanding as at May 27, 2015:

Number of Options	Exercise Price	Expiry Date
399,000	$0.15	September 23, 2016
355,000	$0.10	November 1, 2016
754,000		

The following warrants were outstanding as at May 27, 2015:

Number of Warrants	Exercise Price	Expiry Date
5,000,000	$0.10	October 27, 2016

INVESTOR RELATIONS

Investor relations inquiries are handled by the CEO of the Company.

FINANCIAL INSTRUMENTS

(a) Fair Value of Financial Instruments

As at January 31, 2015, the Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities and loan payable. The carrying values of these financial instruments approximate their fair values because of their short term nature and/or the existence of market related interest rates on the instruments.

The Company has no financial instrument assets or liabilities recorded in the statements of financial position at January 31, 2015 and 2014 at fair value.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the Company's risk management processes.

(i) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and the risk exposure is limited to the carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or investments in guaranteed investment certificates at Canadian banks.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9 to its annual financial statements.

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at January 31, 2015, the Company had a cash balance of $97 to settle current liabilities of $83,257 which consists of accounts payable of $70,321 and loan payable of $12,936 that is considered short term.

See note 1 to the Company's financial statements for the year ended January 31, 2015 for further discussion on liquidity.

(iii) Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loan payable has a fixed rate of interest and thus does not expose the Company to interest rate risk.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. A change of 100 basis points in the interest rates would not be material to the financial statements.

During the years ended January 31, 2015 and 2014, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The Company is not subject to externally imposed capital requirements.

The Company's historical sources of capital have consisted of the sale of equity securities and loan payable. In order for the Company to acquire mineral properties and pay for administrative costs, the Company will need to raise additional amounts externally as needed.

There were no changes in the Company's management of capital during the year ended January 31, 2015.

OFF BALANCE SHEET ARRANGEMENTS

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

CORPORATE OUTLOOK

The Company continues to actively identify and evaluate assets and businesses through discussions with various business associates, contacts of the directors and officers and other parties, with a view to completing an acquisition of a business or assets. To carry out this activity and to fund immediate general corporate requirements, the Company is seeking additional financing through related party loans and equity financing. However, there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required, or if available, that it can be obtained in terms satisfactory to the Company. See "*Risks and Uncertainties*" above.