
The date of this management's discussion and analysis is January 25, 2016.

The following discussion and analysis is management's assessment of the results and financial condition of Apple Capital Inc. ("our company' or "Apple") and should be read in conjunction with the condensed interim financial statements for the nine months ended November 30, 2015 and related notes contained in the report. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to our company's activities can be found on SEDAR at www.sedar.com

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance, business prospects and opportunities such as our intended work programs on our existing property interests, our ability to meet financial commitments and our ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about our current property interests, the global economic environment, the market price and demand for mineral commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements.

Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Nature of Business

Apple was incorporated under the Business Corporations Act of British Columbia. Our company's principal business activities include acquiring and exploring exploration and evaluation assets. At November 30, 2015, we had exploration and evaluation assets located in Canada.

On July 1, 2015, we entered into a binding letter agreement (the "Letter Agreement") with YDreams Brasil – Servicose Solucoes Interativas LTDA ("YDreams") with respect to the proposed reverse takeover transaction between the Company and YDreams. We will need to submit documentation to the TSX Venture Exchange (the "Exchange") for receipt and review of acceptable documentation regarding the change of business/reverse takeover, pursuant to the Exchange *Policy 5.2 Changes of Business and Reverse Takeovers* (Note 13).

Subsequent to November 30, 2015, we consolidated our share capital, stock options and share purchase warrants on a one-new-for-six-old basis. This management discussion and analysis reflect the share consolidation. All common shares, stock options, share purchase warrants and per common share amounts have been retroactively restated.

MINERAL PROPERTY

American Boy Property, British Columbia

On November 26, 2012, our company entered into an option agreement to acquire a 49% interest in the two Collins mineral claims and a 43% interest in other claims including the American Boy, Janelle, Sunrise and Sidina mineral claims (collectively the "American Boy Property") from Everest Ventures Inc. (formerly TAD Mineral Exploration Inc.), subject to a 1.5% net smelter royalty ("NSR") payable. During the year ended February 28, 2014, Everest Ventures became a related party to our company.

In order to exercise the Option and keep it in good standing, we were required to issue common shares of our company and incur exploration expenditures as follows:

	Common Shares	Exploration Costs
Upon closing of the transaction (issued at a value of $150,000)	166,667	$ -
On or before August 15, 2014 (incurred)	-	10,000
On or before July 15, 2016	-	240,000
	166,667	$ 250,000

Upon exercise of the option, Everest Ventures and our company had agreed to enter into a joint venture agreement on industry-standard terms to govern the relationship between the parties with respect to advancement of the property. We would only enter into a joint venture agreement if the YDreams deal does not proceed and if we exercise our option on this property.

During the year ended February 28, 2014, our company paid a finder's fee of 15,000 common shares of our company to an arm’s length party in connection with the transaction. These shares were recorded at their fair value of $13,500, being the quoted closing market price of our company’s shares on the date of issuance.

In May 2014, our company decided not to renew certain mineral claims and allowed them to lapse as they became due. Prior acquisition costs of $153,232 associated with these claims were written off as of February 28, 2014.

In May 2015, our company decided not to renew certain mineral claims, and allowed them to lapse as they became due. Prior acquisition costs of $19,501 associated with these claims were written off as of February 28, 2015. The remaining $19,776 exploration and evaluation assets were fully written off as a result of management intention to change the business.

As at November 30, 2015, we had spent a total of $22,051 in exploration expenditures on this property.

In order to take this prospect to the next stage we would need to do more testing and drilling. Currently, exploration on this property is on hold. In July 2015, we entered into a binding Letter Agreement with YDreams to acquire the business of YDreams. If this deal proceeds, we would drop this property, however for accounting purposes we have already fully written-off the property though we still hold our interest in it. If the YDreams deal does not proceed then we would pursue the American Boy Property, but in order to do so we would need to raise further funds. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our mineral properties.

OVERALL PERFORMANCE

We are a mineral exploration issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, we have not had any revenues in the nine months ended November 30, 2014 or the nine months ended November 30, 2015. We do not expect to generate any revenues from mineral production on our properties in the foreseeable future. We expect our company to continue to incur expenses.

Our company has conducted limited exploration on our mineral property to date, due to, among other things, the uncertainties associated with the prices of precious and base metals and other minerals, the availability of equity financing for the purposes of mineral exploration and development and the global economic climate. Our company was in the process of exploring our mineral property and has not yet determined whether the mineral property contain reserves that are economically recoverable. Our company's future performance is largely tied to the outcome of future exploration, if any, and the overall financial markets.

The recoverability of minerals from our company's mineral property is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of our company to obtain necessary financing to continue to explore and develop our properties, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, our company may have difficulties raising equity financing for the purposes of exploration and development of our company's mineral properties, without diluting the interests of current shareholders of our company.

Our company had working capital deficit of $1,177,387 as at November 30, 2015 (February 28, 2015 – working capital deficit of $882,055).

Our company incurred a net comprehensive loss of $499,357 and $344,246 for the nine months ended November 30, 2015 and 2014. The increase in net comprehensive loss from the nine months ended November 30, 2014 to the nine months ended November 30, 2015 was mainly the result of an increase in operating expenses of $155,072. Our company had cash of $3,353 and a working capital deficiency of $1,177,387 as at November 30, 2015, as a result, management believes that our company's available funds will not be sufficient to meet our working capital requirements for the next twelve month period. Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund our company's ongoing operations. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that are favourable to our company or at all. Our company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risk Factors" for a discussion of risk factors that may impact our company's ability to raise funds.

Information about our company's commitments relating to our mineral properties is discussed above under "Nature of Business – Mineral Property".

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of information for the previous eight quarters ending with November 30, 2015:

	2016 Third	2016 Second	2016 First	2015 Fourth	2015 Third	2015 Second	2015 First	2014 Fourth
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:								
Total	$(223,319)	$(162,052)	$(113,986)	$(166,139)	$(115,543)	$(121,127)	$(107,576)	$(272,380)
Loss per share	$(0.09)	$(0.06)	$(0.07)	$(0.15)	$(0.11)	$(0.11)	$(0.10)	$(0.25)
Loss per share fully diluted	$(0.09)	$(0.06)	$(0.07)	$(0.15)	$(0.11)	$(0.11)	$(0.10)	$(0.25)
Net loss:								
Total	$(223,319)	$(162,052)	$(113,986)	$(166,139)	$(115,543)	$(121,127)	$(107,576)	$(272,380)
Loss per share	$(0.09)	$(0.06)	$(0.07)	$(0.15)	$(0.11)	$(0.11)	$(0.10)	$(0.25)
Loss per share fully diluted	$(0.09)	$(0.06)	$(0.07)	$(0.15)	$(0.11)	$(0.11)	$(0.10)	$(0.25)

Summary of Results During Prior Eight Quarters

Net loss decreased by $164,804 from the fourth quarter of fiscal 2014 to the first quarter of fiscal 2015, mainly due to a decrease in the write-down of exploration and evaluation assets and in professional fees. Net loss increased by $13,551 from the first quarter of fiscal 2015 to the second quarter of fiscal 2015 mainly due to an increase in consulting and transfer agent and filing fees. Net loss was relatively stable from the second quarter of fiscal 2015 to the third quarter of fiscal 2015. Net loss increased by $50,596 from the third quarter of fiscal 2015 to the fourth quarter of fiscal 2015 mainly due to an increase in professional fees and the write-down of exploration and evaluation assets. Net loss decreased by $52,153 from the fourth quarter of fiscal 2015 to the first quarter of fiscal 2016 mainly due to a decrease in professional fees and the write-down of exploration and evaluation assets. Net loss increased by $48,066 from the first quarter of fiscal 2016 to the second quarter of fiscal 2016 mainly due to an increase in professional fees. Net loss increased by $61,267 from the second quarter of fiscal 2016 to the third quarter of 2016 mainly due to an increase in professional fees.

Three months ended November 30, 2015 compared to the three months ended November 30, 2014

Our company incurred a net comprehensive loss of $223,319 for the three months ended November 30, 2015, as compared to a net comprehensive loss of $115,543 for the three months ended November 30, 2014. The increase of $107,776 from the three months ended November

30, 2014 to the three months ended November 30, 2015 was mainly due to an increase in professional fees of $89,041 and in travel and promotion expenses of $12,485.

Nine months ended November 30, 2015 compared to the nine months ended November 30, 2014

Our company incurred a net comprehensive loss of $499,357 for the nine months ended November 30, 2015, as compared to a net comprehensive loss of $344,246 for the nine months ended November 30, 2014. The increase of $155,111 from the nine months ended November 30, 2014 to the nine months ended November 30, 2015 was mainly due to an increase in professional fees of $125,572 and in travel and promotion expenses of $20,212.

See "Mineral Property" for a discussion of our mineral property, including our plans for our mineral property, the status of our plans, expenditures made and the anticipated timing and costs to take our mineral property to the next stage of the project plan.

See "Overall Performance" for a discussion of events, risks and uncertainties that we believe will materially affect our company's future performance and "Risk Factors" for a discussion of risk factors affecting our company.

Discussion of Operations

Our company did not generate any revenue for the nine months ended November 30, 2015 or 2014. Net comprehensive loss for the nine months ended November 30, 2015 increased to $499,357 from $344,246 for the nine months ended November 30, 2014, due to an increase in operating expenses.

Total operating expenses were $498,792 for the nine months ended November 30, 2015 compared to $343,720 for the nine months ended November 30, 2014. The increase of $155,072 from the nine months ended November 30, 2014 to the nine months ended November 30, 2015, was mainly due to an increase in professional fees of $125,572 and in travel and promotion expenses of $20,212.

Liquidity and Capital Resources

During the nine months ended November 30, 2015, our company had a working capital deficit of $1,177,387 (February 28, 2015 - working capital deficit of $882,055) and cash of $3,353 (February 28, 2015 - $12,320). Total current assets increased by $3,187 and current liabilities increased by $298,519 from February 28, 2015 to November 30, 2015. Current liabilities as at November 30, 2015 consisted of accounts payable and accrued liabilities of $1,084,189 (February 28, 2015 - $725,535); loans payable of $113,900 (February 28, 2015 - $174,600); and loan interest payable of $1,292 (February 28, 2015 - $727).

In March 2014, our company arranged a loan from three arm's length non-related parties for a total principal amount of $15,000 ($5,000 each from three lenders), bearing 5% interest per annum and due upon demand.

In November 2014, our company entered into agreements with three arm's length non-related parties lenders, whereby the lenders agreed to convert a total of $159,600 in consulting fees payable into loans payable, bearing no interest and are payable upon demand. During the nine months ended November 30, 2015, we repaid a total of $150,000 to the three lenders.

In June 2015, our company received loans from three arm's length non-related lenders for a total of $21,000 ($7,000 each from three lenders), bearing no interest and due upon demand.

In July 2015, our company arranged a loan from three arm's length non-related parties for a total principal amount of $9,000 ($3,000 each from three lenders), bearing no interest and due upon demand.

The unpaid principal of the above loans, totaling $54,600, may be settled by the issuance of post-consolidated shares.

Also, in July 2015, our company arranged a loan of $50,000 from a relative of a director of our company. In October and November 2015, we arranged loans totaling $9,300 from four arm's length parties. Our company may issue bonus warrants to the lenders.

As at November 30, 2015, $113,900 (February 28, 2015: $174,600) of principal and $1,292 (February 28, 2015: $727) of interest was outstanding.

Subsequent to November 30, 2015, we received loans from five arm's length parties for a total principal amount of $32,700, bearing 10% interest per annum and due upon demand.

Management believes that our company's cash will not be sufficient to meet our working capital requirements for the next twelve month period. As a mineral exploration company, our expenses are expected to increase as we explore our mineral property further; however, management does not expect our company to generate revenues in the foreseeable future.

Our company's ability to meet our ongoing levels of corporate overhead and discharge our liabilities as they become due is dependent, in large part, on the ability of our management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of our company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that are favourable to our company or at all. Our company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration of our mineral property interest, the identification of reserves sufficient to warrant development, successful development of our property interests and achieving a profitable level of operations. Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on our audited financial statements for the year ended February 28, 2015, our independent auditors included an explanatory paragraph regarding their substantial doubt about our ability to continue as a going concern.

Our company has no long-term debt.

Capital Resources

We have the following commitments for capital expenditures with respect to our mineral properties as of November 30, 2015. The expenditures are optional and we may decide not to incur such payments in the event we do not decide to pursue further exploration with respect to such properties.

- *American Boy Property*:
    - November 2012 option agreement: As at November 30, 2015, our company was required to incur $240,000 in exploration expenditures on or before July 15, 2016, of which we have incurred $12,051 as of the date of this report.
    - The American Boy claim is in good standing until May 15, 2016. In order to renew this claim for one year, we are required to pay $3,314 in annual rent by May 15, 2016, unless we spend an amount greater than $1,657 in exploration on the claims beforehand.

Our company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Our company has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The management is actively seeking new finances in order to continue the operations.

Operating Activities

During the nine months ended November 30, 2015, operating activities used $152,292 in cash. This was primarily as a result of net loss for the period of $499,357, offset mainly by a non-cash increase in accounts payable and accrued liabilities of $358,654.

During the nine months ended November 30, 2014, operating activities used $13,022 in cash. This was as a result of net loss for the period of $344,246, offset mainly by a non-cash increase in accounts payable and accrued liabilities of $334,145.

Investing Activities

During the nine months ended November 30, 2015, there was no effect on cash flows pursuant to investing activities. During the nine months ended November 30, 2014, investing activities provided us cash of $4,152, due to the recovery of exploration and evaluation assets.

Financing Activities

Financing activities provided cash of $143,325 during the nine months ended November 30, 2015 as compared to $15,000 during the nine months ended November 30, 2014. During the nine months ended November 30, 2015, proceeds were provided from the issuance of share capital in the amount of $175,000, proceeds from loans of $89,300, and share subscriptions received in advance of $30,000, offset by share issue costs of $975 and loan repayments of $150,000. During the nine months ended November 30, 2014, proceeds were provided from loans issuance of $15,000.

Changes in Accounting Policies including Initial Adoption

Accounting standards issued but not yet effective

We have reviewed new and revised accounting pronouncements that have been issued but are not yet effective. We have not early adopted any of these standards and are currently evaluating the impact, if any, that these standards might have on our condensed interim financial statements.

IFRS 9 – Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of our company's financial assets, but no impact on the classification and measurement of our company's financial liabilities.

Off-balance Sheet Arrangements

As of the date of this report, we do not have any off-balance sheet arrangements.

Related Party Transactions

Key management of our company are the directors and officers. During the nine months ended November 30, 2015 and 2014, our company did not incur any key management remuneration.

As at November 30, 2015, accounts payable and accrued liabilities include $76,085 due to related parties (February 28, 2015: $47,010). The amount payable is as follows: (a) $47,197 is due to Makena Resources Inc., a public company with certain common directors, for reimbursement of accounting, administrative expenses, office expenses and rent; (b) $8,587 is due to Everest Ventures, a public company with certain common directors, for property assessment fees related to the American Boy and reimbursement of expenses; (c) $2,500 is due to Greg Thomson for unpaid directors' fees; (d) $15,020 is due to Sienna Resources Inc., a public company with a common director, for reimbursement of office expenses and office rent; and (e) $2,781 is due to Turbo Capital Inc., a public company with certain common directors, for the reimbursement of administrative expenses.

We received a $50,000 loan from a relative of a director in July 2015. As consideration, we may issue bonus warrants as finance fees to this individual. As at November 30, 2015, $50,000 of principal is outstanding.

During the nine months ended November 30, 2015, office and miscellaneous expenses included $8,000, which was for reimbursement of accounting overhead to Makena Resources.

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

Financial Instruments and Other Instruments

Our company's financial instruments consist of cash, accounts receivable and prepaid, accounts payable and accrued liabilities, loans payable, and loan interest payable. Unless otherwise noted, it is management's opinion that our company is not exposed to credit, interest or commodity price risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Proposed Transactions

Our company and YDreams entered into a letter of intent dated June 8, 2015 (the "Letter of Intent") with respect to a proposed reverse takeover transaction (the "RTO"). The Letter of Intent was superseded by the binding Letter Agreement dated July 1, 2015 between our company and YDreams. The parties are in the process of negotiating a more fulsome definitive share exchange agreement which will replace and supersede the Letter Agreement once entered into.

The RTO is an arm's length transaction and is expected to be structured by way of a share exchange, whereby our company will purchase 321,741 quotas of YDreams (collectively, the "Target Shares") from the quotaholders of YDreams (collectively, the "YDreams Shareholders") in consideration for an aggregate of 55,000,000 post-Consolidation Shares (the Consolidation is defined and described below) at a deemed price of $0.15 per post-Consolidation Share. Following completion of this acquisition, YDreams will be a subsidiary of our company with our company holding 321,741 Target Shares and one of the YDreams Shareholders holding 1 Target Share. Our company has been advised that YDreams needs to have at least one shareholder that is an individual in order to maintain its status as a Limited Liability Corporation under Brazilian law and have an individual that is an authorized legal representative in Brazil.

On closing of the RTO, our company is expected to change its name to "YDreams Global Interactive Technologies Inc." or such other corporate name as determined by our company and YDreams.

Following completion of the RTO, our company intends to carry on the business of YDreams and to maintain its listing on the TSX Venture Exchange (the "TSXV") and be classified as a Tier 2 Technology Issuer.

On closing, the board of directors of the Resulting Issuer will be comprised of two nominees of our company, two nominees of YDreams and one independent director. The RTO is subject to Exchange and shareholder approval. In connection with the RTO, we entered into a Sponsorship and Investment Banking agreement with PI Financial Corp. of Vancouver.

In October, 2015, we provided initial submissions to the Exchange relating to the RTO and certain ancillary transactions, including:

- the consolidation of the issued and outstanding common shares of our company (each, a "Share") on the basis of six pre-consolidation Shares for each one post-consolidation Share (collectively, the "Consolidation"),

- the settlement of $842,100 of debt owed by our company to various creditors by the forgiveness of $275,100 of the debt and the issuance of 6,500,002 post-Consolidation Shares in settlement of the remaining $585,000 of debt (collectively, the "Shares for Debt Settlement"),

- the issuance of warrants to purchase 600,000 post-Consolidation Shares (each, a "Bonus Warrant") at an exercise price of $0.15 per post-Consolidation Share to lenders of our company in connection with $300,000 in loans advanced or to be advanced to our company,

- the private placement of up to 12,000,000 units of our company (each, a "Unit") at $0.15 per Unit for gross proceeds of up to $1,800,000, with each Unit being comprised of one post-Consolidation Share and one non-transferable warrant (each, a "Warrant") to acquire an additional post-Consolidation Share (each, a "Warrant Share") at an exercise price of $0.35 per Warrant Share for two years from the date of issuance of the Warrants (collectively, the "Private Placement"), and

- the issuance of an aggregate of 4,944,444 post-Consolidation Shares (each, a "RTO Finder's Share") to two arm's length finders in connection with completion of the RTO.

The Consolidation, Shares for Debt Settlement, issuance of Bonus Warrants, Private Placement and issuance of the RTO Finder's Shares are collectively referred to as the "Ancillary Transactions". Completion of the Ancillary Transactions is a condition to completion of the RTO.

In November 2015, the Exchange provided conditional acceptance for the Private Placement and we received $30,000 in share subscriptions in connection with the private placement. We also received Exchange approvals for the Consolidation, the Shares for Debt Settlement, and the issuance of Bonus Warrants.

Additional Disclosure for Venture Issuers without Significant Revenue

During the nine months ended November 30, 2015 and 2014, our company incurred the following expenses:

	2015	2014
Capitalized exploration costs	$ Nil	$ 5,000
Operating expenses	$ 498,792	$ 343,720
BC mining exploration tax credits	$ Nil	$ 4,152

Please refer to Note 5 in the condensed interim financial statements for the nine months ended November 30, 2015 for a description of the capitalized exploration costs during the nine months ended November 30, 2015.

Additional Disclosure of Outstanding Share Data

Authorized -Unlimited common shares without par value

As at November 30, 2015 and January 25, 2016, there were 2,543,032 common shares issued and outstanding.

Stock options

As at November 30, 2015, our company had 99,967 stock options outstanding and exercisable entitling the holders thereof the right to purchase one common share of our company for each option held as follows:

Number	Exercise Price	Expiry Date
4,300	$9.00	January 7, 2016
95,667	$3.00	October 3, 2018
99,967		

Subsequent to November 30, 2015, 4,300 stock options at an exercise price of $9.00 expired unexercised. As at January 25, 2016, our company has 95,667 stock options outstanding.

Share Purchase Warrants

As at November 30, 2015 and January 26, 2016, our company had 1,991,502 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share of our company at the exercise price per common share with the following expiry dates:

Number	Exercise Price	Expiry Date
215,000	$6.00	May 6, 2018
318,169	$3.00	September 13, 2018
1,458,333	$0.30	April 24, 2020
1,991,502		

Risk Factors

An investment in our company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and our business before making any investment decision in regards to the shares of our company's common stock. Our business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations.

Risks Relating to our Financial Condition

We have had a history of losses and minimal revenue to date, which trend may continue and may negatively impact our ability to achieve our business objectives.

We have experienced net losses since inception, and expect to continue to incur substantial losses for the foreseeable future. As of November 30, 2015, our accumulated losses were $4,360,752 since inception. Our management expects the business to continue to experience negative cash flow for the foreseeable future and cannot predict when, if ever, our business might become profitable. Our company will require additional financing in order to conduct its future work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. If we are unable to raise funds on acceptable terms, we may not be able to execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm our business, financial condition and results of operations.

Our proposed operations require significant capital expenditures for which we may not have sufficient funding and if we do obtain additional financing, our existing shareholders may suffer substantial dilution.

We intend to make capital expenditures far in excess of our existing capital resources to acquire and explore our mineral properties. We intend to rely on external sources of financing to meet our capital requirements to continue acquiring, exploring and developing mineral properties and to otherwise implement our business plan. We plan to obtain such funding through the debt and equity markets, but we can offer no assurance that we will be able to obtain additional funding when it is required or that it will be available to us on commercially acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to our then existing shareholders.

We have been the subject of a going concern opinion by our independent auditor who has expressed substantial doubt as to our ability to continue as a going concern.

Our independent auditor has added an explanatory paragraph to their audit report issued in connection with our annual audited financial statements for the year ended February 28, 2015 which states that our recurring losses from operations and the need to raise additional financing in order to execute our business plan raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustment that might result from the outcome of this uncertainty. Assurances cannot be given that adequate financing can be obtained to meet our capital requirements. If we are unable to generate profits and unable to continue to obtain financing to meet our working capital requirements, we may have to curtail our business sharply or cease operations altogether. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis to retain our current financing, to obtain additional financing, and, ultimately, to attain profitability. Should any of these events not occur, we will be adversely affected and we may have to cease operations.

Risks Related to our Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, we face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that we intend to undertake on our property and any additional properties that we may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by us in the exploration of our property may not result in the discovery of mineral deposits. Any expenditures that we may make in the exploration of any other mineral property that we may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of our exploration do not reveal viable commercial mineralization, we may decide to abandon our property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that our exploration activities will result in the discovery of any quantities of mineral deposits on our current properties or any other additional properties we may acquire.

We intend to continue exploration on our current property and we may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. We can provide investors with no assurance that exploration on our current property, or any other property that we may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent us from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If we are unable to establish the presence of mineral deposits on our property, our ability to fund future exploration activities will be impeded, we will not be able to operate profitably and investors may lose all of their investment in our company.

The potential profitability of mineral ventures depends in part upon factors beyond our control and even if we discover and exploit mineral deposits, we may never become commercially viable and we may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond our control, including the existence and size of mineral deposits in the properties we explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in us not receiving an adequate return on invested capital. These factors may have material and negative effects on our financial performance and our ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on us.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent us from conducting planned activities or may increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect our ability to carry on our business.
Title to mineral properties is a complex process and we may suffer a material adverse effect in the event one or more of our property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. We cannot give an assurance that title to our property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties could cause us to lose any rights to explore, develop and mine any minerals on that property, without compensation for our prior expenditures relating to such property.

We have a very small management team and the loss of any member of our team may prevent us from implementing our business plan in a timely manner.

We have two executive officers and a limited number of additional consultants upon whom our success largely depends. We do not maintain key person life insurance policies on our executive officers or consultants, the loss of which could seriously harm our business, financial condition and results of operations. In such an event, we may not be able to recruit personnel to replace our executive officers or consultants in a timely manner, or at all, on acceptable terms.

Because our property interests may not contain mineral deposits and because we have never made a profit from our operations, our securities are highly speculative and investors may lose all of their investment in our company.

Our securities must be considered highly speculative, generally because of the nature of our business and our stage of operations. We currently have exploration stage property interests which may not contain mineral deposits. We may or may not acquire additional interests in other mineral properties but we do not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, we have not generated significant revenues nor have we realized a profit from our operations to date and there is little likelihood that we will generate any revenues or realize any profits in the short term. Any profitability in the future from our business will be dependent upon locating and exploiting mineral deposits on our current properties or mineral deposits on any additional properties that we may acquire. The likelihood that any mineral properties that we may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. We may never discover mineral deposits in respect to our current properties or any other area, or we may do so and still not be commercially successful if we are unable to exploit those mineral deposits profitably.

As we face intense competition in the mineral exploration and exploitation industry, we will have to compete with our competitors for financing and for qualified managerial and technical employees.

Our competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than us. As a result of this competition, we may have to compete for financing and be unable to acquire financing on terms we consider acceptable. We may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our exploration programs may be slowed down or suspended, which may cause us to cease operations.

Our future is dependent upon our ability to obtain financing and if we do not obtain such financing, we may have to cease our exploration activities and investors could lose their entire investment.

There is no assurance that we will operate profitably or will generate positive cash flow in the future. We require additional financing in order to proceed with the exploration and development of our property. We will also require additional financing for the fees we must pay to maintain our status in relation to the rights to our properties and to pay the fees and expenses necessary to operate as a public company. We will also need more funds if the costs of the exploration of our mineral claims are greater than we anticipated. We will require additional financing to sustain our business operations if we are not successful in earning revenues. We will also need further financing if we decide to obtain additional mineral properties. We currently do not have any arrangements for further financing and we may not be able to obtain financing when required. Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, our business could fail and investors could lose their entire investment.

Complying with environmental and other government regulations could be costly and could negatively impact our production.

Our business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of our facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that we acquire permits before commencing mining operations and restrict the substances that can be released into the environment.

Under these laws and regulations, we could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of mining operations, we may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, we do not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, we could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm our business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on our financial condition or results of operations.

Risks Related to our Common Stock

Because we do not intend to pay any cash dividends on our shares of common stock in the near future, our shareholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless we pay dividends, our shareholders will not be able to receive a return on their shares unless they sell them.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock.

Other Requirements

Our company's shares are listed on the TSX Venture Exchange under the symbol "ALE". Additional disclosure relating to our company's material change reports, news releases and other information is available on SEDAR at www.sedar.com