

**PALISADES VENTURES INC.**  
(formerly “URANIUM STANDARD RESOURCES LTD.”)  
**SUITE 2300- 1066 WEST HASTINGS STREET**  
**VANCOUVER, BRITISH COLUMBIA**  
**V6E 3X2**

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**MANAGEMENT’S DISCUSSION AND ANALYSIS  
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

For the six months ended September 30, 2016

**October 27, 2016**

*The following discussion is management’s assessment and analysis of the results and financial condition of Palisades Ventures Inc. (formerly Uranium Standard Resources Ltd.). (the “Company”), and should be read in conjunction with the accompanying unaudited interim financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and all figures are reported in Canadian dollars unless otherwise indicated.*

*Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is October 27, 2016.*

**1. Description of Business**

Palisades Ventures Inc. (formerly “Uranium Standard Resources Ltd.”) (the “Company”) was incorporated on June 6, 2007 under the Business Corporations Act of British Columbia (the “Act”) under the name Central Resource Corp. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange (PSV-TSXV).

The Company’s head office, principal address and registered and records office is 2300 – 1066 West Hastings Street, Vancouver, B.C., V6E 3X2.

On November 27, 2015, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares held. The 24,528,771 pre-consolidated common shares issued and outstanding were adjusted to 12,264,386 post-consolidated common shares.

On October 2, 2014, the Company completed a business combination with Canadian Uranium Corp. (“Canadian Uranium”) and 1008394 B.C. Ltd. (“B.C”), a wholly owned subsidiary of the Company formed for the purpose of this business combination. At the amalgamation of Canadian Uranium and B.C., all of Canadian Uranium common shares were exchanged on a two and one quarter basis for one post-consolidated share of the Company. The holders of Canadian Uranium’s common shares, other than the Company and B.C., received in exchange for their Canadian Uranium common shares cancelled, 7,909,779 commons shares of the Company on a pro rata basis. Neither the Company nor B.C. received any repayment of capital in respect of any Canadian Uranium common shares held by them that were exchanged. All of the common shares of B.C. outstanding immediately prior to the effective time were cancelled and replaced with an equal number of common shares of the amalgamated company (“Amalco”) formed between Canadian Uranium and B.C., a wholly owned subsidiary of the Company. In connection with the amalgamation the company changed its name to “Palisades Ventures Inc. from Uranium Standard Resources Ltd. and began trading under its new name and symbol “USR”.

On July 25, 2014, the Company consolidated its common shares on the basis of one post-consolidated common share for every three pre-consolidated common shares held. The 15,117,000 pre-consolidated common shares issued and outstanding were adjusted to 5,038,992 post-consolidated common shares.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2016, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

The Company's principal activity is the acquisition and exploration of mineral resource properties. The Company is currently in the exploration stage of developing its mineral property and has not yet determined whether the property contains mineral reserves that are economically recoverable.

## 2. Selected Annual Information

The following selected financial information is extracted from the audited annual consolidated financial statements of the Company prepared in accordance with IFRS.

	<i>31Mar16</i>	<i>31Mar15</i>	<i>31Mar14</i>
<b>Net Loss for the year</b>	\$1,607,319	\$592,610	\$745,673
<b>Loss per Share</b>	\$(0.13)	\$(0.04)	\$(0.05)
<b>Total Assets</b>	\$2,163	\$1,406,256	\$111,167
<b>Total Liabilities</b>	\$197,474	\$59,248	\$388,670
<b>Working Capital Deficiency</b>	\$(195,311)	\$(17,295)	\$(369,503)

The referenced annual consolidated financial statements of the Company above have been prepared in accordance with IFRS. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

### *Quarterly Information*

The following tables summarize the Company's financial information for the last eight quarters:

	<i>30Sept16</i>	<i>30June16</i>	<i>31Mar16</i>	<i>31Dec15</i>	<i>30Sept15</i>	<i>30Jun15</i>	<i>31Mar15</i>	<i>31Dec14</i>
<b>Operating Costs</b>	\$(9,950)	\$(9,438)	\$(66,820)	\$(91,294)	\$(42,308)	\$(41,094)	\$(14,041)	\$(343,405)
<b>Net Income (Loss)</b>	\$6,074	\$3,312	\$(690,240)	\$(91,294)	\$(784,691)	\$(41,094)	\$(125,940)	\$(343,405)
<b>Total Assets</b>	\$56,377	\$84,857	\$2,163	\$628,653	\$627,028	\$1,330,993	\$1,406,256	\$1,498,487
<b>Total Liabilities</b>	\$(87,547)	\$(122,101)	\$(197,474)	\$(198,724)	\$(105,805)	\$(110,026)	\$(59,248)	\$(24,958)
<b>Working Capital (Deficiency)</b>	<b>\$(31,170)</b>	<b>\$(37,244)</b>	<b>\$(195,311)</b>	<b>\$(193,491)</b>	<b>\$102,197</b>	<b>\$(61,388)</b>	<b>\$(17,295)</b>	<b>\$(48,388)</b>

Since the Company generates immaterial income, losses reflect administrative expenses.

### *Second Quarter Results*

In the second quarter ended September 30, 2016, the Company did not complete any equity financings.

The Company did not acquire any mineral properties.

No options were granted during the quarter.

Other:

### **Changes to the Officers and Board of Directors**

There were no changes to the Officers or Board of Directors during the second quarter ended September 30, 2016. The board is comprised of Arni Johannson, Michael Williams, and Jonathan Jackson and the Chief Financial Officer is Gordon Steblin.

The financial statements have in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### *Critical accounting judgments and key sources of estimation uncertainty*

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies that have the most significant effect on the amount recognized in the financial statements.

#### a) Critical judgments in applying accounting policies

##### Going concern evaluation

As discussed in note 1, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at September 30, 2016.

##### Review of asset carrying value and impairment assessment

In accordance with our policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If such an indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying value exceeds the recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell or value in use.

#### b) Key sources of estimation uncertainty

##### Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from

audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### Valuation of share-based compensation and share purchase warrants

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

#### **Future Change in Accounting Policy**

Future accounting policy changes are included in Note 3 of the unaudited financial statements and are not expected to impact the Company in a significant manner.

### **4. RESULTS OF OPERATIONS**

#### **Six Month Period ended September 30, 2016**

At September 30, 2016, total assets were \$56,377 compared to \$2,163 as at March 31, 2016. Assets increased due to the Company completing a private placement of \$222,500 during this period.

The Company has no operating revenues. During the period ended September 30, 2016, the Company earned \$Nil in interest income compared to \$Nil for the same period last year.

During the six month period ended September 30, 2016 the Company had net and comprehensive income of \$9,386 compared to a net loss of \$825,785 for the six month period ended September 30, 2015. This difference is mainly attributable to the writing off of \$742,383 in mineral property costs during the prior year.

General and administrative expenses for the six month period ended September 30, 2016 were \$19,388, a decrease of \$64,014 as compared to \$83,402 for the six month period ended September 30, 2015. The changes in general and administrative expenses were mainly attributable to the following:

Listing and transfer agent costs decreased \$7,530 to \$4,130 during the six month period ended September 30, 2016 from \$11,660 during the same period a year prior. The prior year amounts were higher due to costs associated with the acquisition of Canadian Uranium Corp.

Office costs decreased \$16,195 to \$108 during the six month period ended September 30, 2016 from \$16,303 during the same period a year prior.

Professional fees increased \$6,457 to \$15,150 during the six month period ended September 30, 2016 from \$8,693 during the same period a year prior. The current amounts are higher due to costs associated with the administration of the Company.

Shareholder communications decreased \$46,746 to \$Nil during the six month period ended September 30, 2016 from \$46,746 during the same period a year prior. The costs in the prior year were for making a promotional video for the Company.

During the period ended September 30, 2016, the Company settled trade payables which resulted in a \$28,774 forgiveness of debt.

### **Three Month Period ended September 30, 2016**

During the three month period ended September 30, 2016 the Company had net and comprehensive income of \$6,074 compared to a net loss of \$784,691 for the three month period ended September 30, 2015. This difference is mainly attributable to the writing off of \$742,383 in mineral property costs in the prior year.

General and administrative expenses for the three month period ended September 30, 2016 were \$9,950, a decrease of \$32,358 as compared to \$42,308 for the six month period ended September 30, 2015. The changes in general and administrative expenses were mainly attributable to the following:

Shareholder communications decreased \$25,317 to \$Nil during the three month period ended September 30, 2016 from \$25,317 during the same period a year prior. The costs in the prior year were for making a promotional video for the Company.

During the three month period ended September 30, 2016, the Company settled trade payables which resulted in a \$16,024 forgiveness of debt.

### **5. FINANCIAL CONDITION / LIQUIDITY**

At September 30, 2016, the Company had cash of \$55,589 compared to cash of \$1,166 as at March 31, 2016. Cash provided by financing activities included a non-brokered private placement of \$222,500 that resulted in a net cash amount of \$154,755 during the six months ended September 30, 2016. The private placement consists of 4,450,000 units at a price of \$0.05 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.10 per share until April 29, 2018. Cash flow used in operating activities was \$100,332 and mainly attributable to the reduction of \$88,753 in account payables. The Company has no long-term debt.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production, and operate a resource property. Historically, the Company has raised funds through equity financing to fund its operations.

The Company will need to raise additional cash for working capital or other expenses. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to TSX Venture Exchange policies and approvals.

The Company has no assets other than cash deposits and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company does not have sufficient working capital at this time to meet its current financial obligations.

### **6. CAPITAL MANAGEMENT**

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation of assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for ongoing general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach,

given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended September 30, 2016.

## **7. OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **8. OUTSTANDING SHARE DATA**

### ***Authorized share capital***

Unlimited number of common voting shares without par value or par; and  
Unlimited number of preferred voting shares without nominal or par value

### ***Issued share capital***

During the six month period ended September 30, 2016, the Company completed a non-brokered private placement of \$222,500. The private placement consists of 4,450,000 units at a price of \$0.05 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.10 per share until April 29, 2018.

As at October 27, 2016 there were 16,614,386 shares outstanding.

### **2016**

On November 27, 2015, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares held. The 24,528,771 pre-consolidated common shares issued and outstanding were adjusted to 12,264,386 post-consolidated common shares.

During the year ended March 31, 2016, the Company sold its interest in the property for the return of 100,000 of the Company's shares valued at \$Nil.

### ***Shares held in escrow***

Under the policies of the TSX Venture Exchange, an aggregate of 1,666,666 common shares were held by escrow to be released over a 36 month period; 10% were released October 14, 2014 and 15% will be released every 6 months until October 14, 2017. The number of escrow common shares as at September 30, 2016 is 750,000 and 500,000 as at October 27, 2016.

### ***Stock Options***

The Company has adopted an incentive stock option plan (the "Plan") whereby it can grant non-transferable stock options ("Options") to purchase common shares to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and exercisable for a period of up to five years from the date of grant. The exercise price of options granted under the Plan will not be less than the market price of the common shares. Vesting periods are determined by the Board of Directors, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

During the year ended March 31, 2016, no stock options (2015 – 1,000,000) were granted to officers, directors, related employees and consultants. The Company has recorded the fair value of all options granted during the period using the Black-Scholes option pricing model. Share-based payment costs were calculated using the following weighted average assumptions: expected life of options – Nil (2015 – 2.3 years), stock price volatility – Nil (2015 – 185.07%), no dividend yield (2015 – Nil), and a risk-free interest rate yield - Nil (2015 – 1.05%).

The fair value is particularly impacted by the Company's stock price volatility, determined using data from the previous four years. Using the above assumptions the fair value of options granted during the year ended March 31, 2016 was \$Nil per option (2015 - \$0.20 per option). The total share-based payment expense for the year ended March 31, 2016 was \$Nil (2015 - \$200,656), which is presented as an operating expense, and includes only options that vested during the period.

During the year ended March 31, 2016, 787,500 options expired or were cancelled due to resignations from the Board of Directors and termination of the Company's Investor Relation Agreements.

As at October 27, 2016, there were 212,500 options outstanding as disclosed in the below table:

<b>Exercise Price</b>	<b>Expiry Date</b>	<b>March 31, 2016</b>	<b>Granted</b>	<b>Expired/Cancelled</b>	<b>October 27, 2016</b>
\$0.40	October 7, 2017	212,500	-	-	212,500
Weighted average exercise price		\$0.40	-	-	\$0.40

As at October 27, 2016, there were 2,225,000 share purchase warrants outstanding as disclosed in the below table:

<b>Exercise Price</b>	<b>Expiry Date</b>	<b>March 31, 2016</b>	<b>Granted</b>	<b>Expired</b>	<b>October 27, 2016</b>
\$0.50	July 30, 2016	2,115,300	-	(2,115,300)	-
\$0.10	April 29, 2018	-	2,225,000	-	2,225,000
		2,115,300	2,225,000	(2,115,300)	2,225,000
Weighted average exercise price		\$0.50	\$0.10	\$0.50	\$0.10

## 9. TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following transactions with officers and directors, or companies that are controlled by officers and directors of the Company:

	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Geological consulting fees paid to a former director	\$ -	\$ 3,000
Office services paid to a company controlled by a former officer	-	12,000
Professional fees accrued to a company controlled by the CFO	12,000	-
<b>Total</b>	<b>\$ 12,000</b>	<b>\$ 15,000</b>

The Company owes the following amounts to officers and directors, or companies that are controlled by officers and directors of the Company:

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
Loan payable to the President	-	5,000
Rent accrued to a company controlled by the President	9,000	9,000
Management fees accrued to a company controlled by the President	41,000	41,000
Professional fees accrued to a company controlled by the CFO	12,600	-
<b>Total</b>	<b>\$ 62,600</b>	<b>\$ 55,000</b>

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount established and agreed to by the related parties.

#### **10. PROPOSED TRANSACTIONS**

Not applicable.

#### **11. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term investments, accounts payable and accrued liabilities, and an amount due to related party. The carrying value of these financial instruments approximates their fair market value because of the short maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

#### **12. LEGAL PROCEEDINGS**

The Company is not involved in any legal proceedings.

#### **13. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures as well as internal controls over financial reporting for the Company.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing the certificates are not making any representations relating to the establishment and maintenance of: controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other

reports provided under securities legislation.

#### **14. OTHER MD&A REQUIREMENTS**

##### Subsequent Event

On October 14, 2016, 250,000 shares were released from escrow leaving 500,000 in escrow.

##### *Risks and Uncertainties*

The Company has a limited history of operations. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable.

##### *Cautionary Statement*

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward looking statements, which, by their very nature, are not guarantees of the Company’s future, operational or financial performance, and are subject to risk and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risk and uncertainties, including the risk and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

For further information about Palisades Ventures Inc. (formerly Uranium Standard Resources Ltd.) please visit Sedar at [www.sedar.com](http://www.sedar.com).