NITINAT MINERALS CORPORATION

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

THREE AND SIX MONTHS ENDED DECEMBER 31, 2016

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Nitinat Minerals Corporation ("Nitinat" or the "Company") for the three and six months ended December 31, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended June 30, 2016 and 2015, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and six months ended December 31, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of March 1, 2017, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), 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 Nitinat's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this Interim MD&A and in certain documents incorporated by reference in this Interim MD&A, constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of (i) this Interim MD&A or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of gold and/or other metals.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating and exploration costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits.
While the Company has no source of revenue, it believes it can obtain sufficient cash resources to meet its administrative overhead and maintain its mineral investments for the twelve month period to December 31, 2017, depending on future events. The Company expects to incur further losses in the development of its business.	The operating and exploration activities of the Company for the twelve month period to December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned for fiscal 2017; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to carry out anticipated exploration on its property interests.	The exploration activities of the Company for the six months ending June 30, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned for fiscal 2017; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits.

Plans, costs, timing and capital for future exploration and evaluation of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.
Management's outlook regarding future trends, including the future price of gold and availability of future financing.	Financing will be available for the Company's exploration and operating activities; the price of gold and/or other applicable metals will be favourable to the Company.	Gold price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.
All properties will be on care and maintenance until a financing can be completed, and/or a favourable strategic partnership or monetization is arranged.	Actual costs of the various expenses of the budget are consistent with the costs that management anticipates.	Costs could vary from management's expectations.
The Company will continue to focus its exploration efforts on existing targets located on the Jasper Property.	New targets are not discovered that take precedence over existing targets.	Management may change its plans based on future exploration results.
Prices and price volatility for gold, oil and gas.	The price of gold, oil and gas will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold, oil and gas will be favourable.	Changes in debt and equity markets and the spot price of gold, oil and gas; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Nitinat's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Nitinat's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the laws of the State of Nevada on June 1, 2004 under the name of "Assal Metallo, Inc.". On June 20, 2007, the Company was continued under the laws of the Province of Alberta and on July 19, 2007, it was continued under the laws of the Province of Ontario, at which time the name was changed to Nitinat Minerals Corporation pursuant to Articles of Continuance dated June 22, 2007.

Operational Highlights

None

Trends

Due to the decline in commodity prices, market participants have re-evaluated their positions and are exercising far greater discipline, caution and depth of analysis when evaluating current and future investment opportunities. Merger and acquisition activity has slowed, share prices for resource companies are down, resource funds have experienced significant redemptions as investors reallocate their funds, and the ability to raise equity financing for exploration projects has been substantially curtailed. As a result, funding for junior exploration companies remains difficult in the current economic environment resulting in management decisions to modify programs and their time frames for completion.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Financial Highlights

Financial Performance

Nitinat's net loss totalled $64,954 for the three months ended December 31, 2016, with basic and diluted loss per share of $0.01. This compares with a net loss of $78,780 with basic and diluted loss per share of $0.01 for the three months ended December 31, 2015.

Net loss for three months ended December 31, 2016 principally related to office and miscellaneous of $29,575 (three months ended December 31, 2015 - $67,585), accounting and audit fees of $14,864 (three months ended December 31, 2015 - $9,328), legal fees of $4,424 (three months ended December 31, 2015 - $1,867), investor relations of $10,090 (three months ended December 31, 2015 - $90

The decrease in accounting and audit fees and legal fees is primarily attributable to the Company's implementation of cost saving initiatives. The increase in office and miscellaneous is mainly attributable to consulting fees accrued for Chief Executive Officer ("CEO") fees which were not accrued in the prior comparable period.

Additional measures have been undertaken or are under consideration to further reduce corporate overhead and field office costs.

Nitinat's total assets at December 31, 2016 were $761,070 (June 30, 2016 - $690,591) against total liabilities of $703,113 (June 30, 2016 - $809,160). The increase in total assets of $70,479 resulted from cash spent on exploration and evaluation expenditures and an increase in cash of $30,479. The Company does not have sufficient current assets to pay its existing liabilities of $703,113 at December 31, 2016. See "Liquidity and Financial Position" below and "Risks and Uncertainties" below.

Cash Flow

At December 31, 2016, the Company had a working capital deficiency of $668,164, compared to a working capital deficiency of $804,690 at June 30, 2016. The decrease in working capital deficiency is primarily due to the debt settlement and write-off of accounts payable offset by spending on exploration and evaluation assets and corporate expenses during the period ended December 31, 2016.

Liquidity and Financial Position

On September 1, 2015, the Company announced that it negotiated a share for debt settlement with two non-arm's length creditors of the Company. The Company has agreed to issue an aggregate of 1,571,340 common shares to the non-arm's length parties in exchange for the cancellation of $78,567 in debt owing to the creditors. The debt settlement is subject to the approval of the TSX Venture Exchange ("TSXV").

On September 1, 2015, the Company announced that it intends to raise gross proceeds of up to $287,500 through a non-brokered private placement of up to 5,750,000 units (the "Units") of the Company at a price of $0.05 per Unit. Each Unit will consist of one (1) common share and one (1) common share purchase warrant ("Warrant"). Each Warrant will entitle the holder to purchase one common share at a price of $0.07 for a period of two (2) years from date of issuance. A finder's fee may be paid by the Company in connection with the private placement. The non-brokered private placement will be subject to all necessary regulatory approvals. The securities to be issued in the private placement will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

During the six months ended December 31, 2015, the Company settled an aggregate of $202,817 of debt by the issuance of 4,059,040 common shares of the Company at a fair value of $162,362 resulting in a gain on debt extinguishment of $40,455 realized through the unaudited condensed interim consolidated statement of loss and comprehensive loss.

During the six months ended December 31, 2015, the Company received $1,402 from Inspiration Mining Corporation ("Inspiration") to fund its general and administrative expenses. See "Related Party Transactions" below.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

The following table summarizes the Company's current exploration programs at the Jasper Property, total estimated cost to complete each exploration program, and total expenditures incurred to date.

	Jasper Property	Carscallen	Chibougamau Property	Total
Balance, June 30, 2015	653,559	-	-	$653,559
Consulting	27,561	-	-	$27,561
Balance, September 30, 2016	681,120	40,000	-	$681,120
Balance, December 31, 2016	681,120	40,000	-	**$721,120**

(1) Funds spent during the six months ending December 31, 2015.

Based on the rate of expenditure, the Company will have to raise equity capital in the remainder of fiscal 2016 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Any further exploration programs on its property interests are subject to the Company raising capital. It is anticipated that payments on select accounts payable will be deferred until a financing is completed. The Company has a bank balance of
$4,566 at December 31, 2015 (June 30, 2015 - $2,973) and does not have sufficient liquid assets to fund its operating expenses at current levels. Activities are currently funded by loans from related parties. There can be no assurance that should additional financing from related parties or others be required, it will be available at all, or on terms acceptable to the Company. Should the Company not raise sufficient capital, it may cease to be a reporting issuer. However, to meet long-term business plans, the Company must complete a financing and develop its property interests.

Related Party Transactions

Related parties include the Board, officers, key management personnel, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended December 31, 2015 ($)	**Three Months Ended December 31, 2015 ($)**
Adrea Capital Company ("Adrea") (i)	30,000	31,292
Marrelli Support Services Inc. ("Marrelli Support") (ii)	-	6,925
DSA Corporate Services Inc. ("DSA") (iii)	-	396
Herb Brugh (iv)	14,000	15,013

(i) D. Randall Miller, a director of Inspiration, a related company due to Inspiration being a 10% shareholder, controls Adrea. On September 16, 2011, the Company signed a sublease agreement with Adrea for a five year term commencing on February 1, 2011 and expiring on January 31, 2016. The lease payments are $5,430 per month for the term of the lease. During the three and six months ended December 31, 2016, the Company paid or accrued Adrea $30,000 (three and six months ended December 31, 2015 - $15,000 and $30,000, respectively), in management fees and $nil (three and six months ended December 31, 2015 - $16,293 and $32,585, respectively) in rent. Both management fees and rent are included in office and miscellaneous. As at December 31, 2016, this company was owed $81,295 (June 30, 2016 - $151,295) which is included in accounts payable and accrued liabilities.

(ii) For the three and six months ended December 31, 2016, the Company expensed $nil (three and six months ended December 31, 2015 - $6,925 and $13,463, respectively) to Marrelli Support for Chief Financial Officer ("CFO") fees. Marrelli Support also provides bookkeeping services. Carmelo Marrelli is the president of Marrelli Support and the CFO of Nitinat and resigned on June 1, 2016. Included in the September 30, 2016 accounts payable and accrued liabilities is $50,513 due to Marrelli Support (June 30, 2016 - $50,513).

(iii) For the six months ended December 31, 2016, the Company expensed $nil, (three and six months ended December 31, 2015 - $396 and $771, respectively) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the CFO of the Company. Included in the December 31, 2016 accounts payable and accrued liabilities is $614 to DSA (June 30, 2016 - $614).

(iv) For the three and six months ended December 31, 2016, the Company expensed $14,000 (three and six months ended December 31, 2015 - $15,013 and $30,583, respectively) to Herb Brugh for CEO fees. Included in the December 31, 2016 accounts payable and accrued liabilities is $23,276 due to Herb Brugh (June 30, 2016 - $135,698).

(v) As at December 31, 2016, inspiration was owed $16,048 (June 30, 2016 $104,997) and the amount is unsecured and due on demand. During the three and six months ended December 31, 2016 the company accrued $nil (three and six months ended December 31, 2015 - $nil) in interest to Inspiration.

(b) During the six months ended December 31, 2015, the Company received $1,402 from Inspiration (six months ended December 31, 2014 – repaid $68,000). As at December 31, 2015, Inspiration was owed $79,432 (June 30, 2015 - $78,030) and the amount is non-interest bearing, unsecured and due on demand.

(c) To the knowledge of the directors and officers of the Company, as at December 31, 2016, no person or Company beneficially owns or exercises control or direction over the common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than as set out below:

	Number of common shares	Percentage of outstanding shares (approx.)
Inspiration	1,144,432	10%

The remaining 90% of the shares are widely held, which includes various small holdings which are owned by directors of Nitinat. These holdings can change at any time at the discretion of the owner.

Litigation

In August 2013, litigation was commenced against the Company, Inspiration and certain present and past directors and officers of the Company and Inspiration. The litigation was commenced by certain shareholders of Inspiration claiming certain actions undertaken by Inspiration have been oppressive and have caused undue prejudice and disregarded the interests of the plaintiffs. The plaintiffs have not set out the quantum of damages that they are seeking. No specific allegations are made towards the Company other than the Company is a related company of Inspiration. The Company is of the opinion that the inclusion of the Company in the litigation is frivolous and without merit.

Additional Information

Additional information concerning the Company is available on Sedar at www.sedar.com.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended June 30, 2015, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification 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 this certificate are not making any representations relating to the establishment and maintenance of:

(i) 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

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS). 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 certificate.

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.