ALTAN NEVADA MINERALS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2016

INTRODUCTION

The management's discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Altan Nevada Minerals Limited (the "Company") for the three months ended March 31, 2016. In order to better understand the MD&A it should be read in conjunction with the unaudited financial statements and related notes for the three months ended March 31, 2016 and the audited financial statements and related notes for the year ended December 31, 2015. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to May 30, 2016 and in US dollars unless otherwise stated.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

CORPORATE OVERVIEW

The Company is a mineral exploration and development company listed on the TSX Venture Exchange under the symbol "ANE" and is engaged in the acquisition, exploration and development of exploration and evaluation assets in Nevada.

The Company is focused on the discovery of large-scale ore systems in under-explored regions of Nevada. The Company performs its own grass-roots exploration with its highly experienced Nevada-based technical team.

Our experienced technical team is supported by: John Jones, Chairman & Director, who has over thirty years of experience in the international mining sector; Evan Jones, President, CEO & Director, with eight years of experience in corporate advisory and commercial management in mining; Anthony Jackson, CFO, with several years of experience in corporate finance, accounting and investment banking; Murray Seitz, Director, with ten years of experience in mineral exploration including corporate compliance, management and business development; and Brion Theriault, Exploration Manager. Brion Theriault is Certified Professional Geologist and Qualified Person and has over 20 years experience in precious metals exploration, development, and production including substantial experience in Nevada on the Carlin, Battle Mountain-Eureka, and Independence Trends. Aidan Nania, Director with several years of experience in investment banking. Mr. Nania is the managing director of Element Capital Partners, an investment arm of Element Commodities Group, with interests in mining, oil, and gas.

SHARE CAPITAL

As at March 31, 2016, the Company had $4,243,035 in share capital and 37,029,600 common shares outstanding.

As at May 30, 2016, the Company had $4,243,035 in share capital and 37,029,600 common shares outstanding.

Options

There was no option activity for this period.

Warrants

There was no share purchase warrant activity for this period.

PLAN OF ARRANGEMENT

On May 31, 2011, Altan Rio Minerals Limited completed a plan of arrangement to reorganize its exploration and evaluation assets in an effort to maximize shareholder value. Under the terms of the plan of arrangement, Altan Rio Minerals Limited spun out its US properties to Altan Nevada Holdings Limited, a subsidiary of the Company. Shareholders of Altan Rio Minerals Limited received one new Altan Nevada common share for every two Altan Rio Minerals Limited common shares held. Concurrently, Altan Rio Minerals Limited transferred cash to the Company to provide working capital and exploration funding along with certain property, plant, and equipment.

The reorganization was designed to allow Altan Rio Minerals Limited's shareholders to realize the value of its properties through continued ownership of Altan Rio Minerals Limited's common shares, while retaining the upside potential associated with Altan Rio Minerals Limited's US exploration and evaluation assets through the ownership of the Company's shares.

The Company's consolidated statements of operations and comprehensive loss for the years ended December 31, 2011 and December 31, 2010 are the result of a "carve-out" of an allocation of general and administrative expenses for those periods to the Company. The allocation of the Company's general and administrative expenses was calculated on the basis of each company's share of the expenditures on a line-by-line basis.

OPERATIONS

<u>Overview</u>

The Company currently holds eight exploration projects in Nevada, seven of which were self-staked, covering more than 37,072 acres over 1,833 mining claims. Exploration work since 2007 has identified drill targets on six of the projects and the Company's reconnaissance program continues to generate new projects each year.

<u>Radar Gold-Silver Project, Mineral County, Nevada</u>

Radar is an early stage gold-silver conceptual exploration target, located immediately adjacent to the former gold-silver-mercury past producing Paradise Peak mine in Mineral County, western Nevada. It consists of 204 unpatented mining claims owned 100% by the Company that were staked from 2007 to 2009, with 26 out of the 204 claims being subject to a twenty year Mining Lease and Option to Purchase Agreement with Avidian Gold US Inc., a private Nevada corporation.

A soil geochemical sampling grid along with ground gravity; magnetic and deep-looking Induced Polarization (IP) geophysical surveys; and, geological mapping were completed over the period 2007 to 2009, with further rock sampling completed in 2010. This work identified structures and anomalous geochemistry that combined with geophysical anomalies, defined drill targets within a structural fabric similar to Paradise Peak. Specific targets include high IP chargeability zones with dimensions of the order of 1 x 1 km.

Site visits were conducted on the project in June 2011 by Allan V. Moran (AIPG) for the purpose of reviewing and updating the 43-101 report for the project. On August 19, 2011, the NI 43-101 Technical Report named Radar Gold Exploration Project Mineral and Nye Counties, Nevada was completed with an effective date of June 10, 2011.

On November 14, 2011, a 2,500 m Phase I Drill Program began on Radar, the objective of which was to test robust IP anomalies at depth, particularly those down-system from surface mercury mineralization and historic mines.

On March 30, 2012, the Company released drill results from the Phase I Drill Program, which consisted of four holes for 1,949 m of diamond drilling. The four drill holes tested geophysical anomalies in a relatively small area (1 x 1.5 km) near the center of the project. Pyrite mineralization elevated in precious metals and pathfinder elements such as arsenic, copper, and molybdenum was encountered in RA-003 below 261.82 m. The elevated precious metal and pathfinder elements (50-60 ppb Au, 4 ppm Ag, 80 ppm As, 100+ ppm Cu, and 30-70 ppm Mo) intersected at the bottom of RA-003 are strongly indicative of proximity to precious metal concentrations in high sulfidation epithermal systems.

On January 1, 2013, the Company announced that it had entered into a twenty year Mining Lease and Option to Purchase Agreement (the “Agreement”) with Avidian Gold US Inc. (“Avidian”), a private Nevada corporation actively engaged in the exploration of intrusive-related gold-copper deposits in Nevada, on 26 out of 204 unpatented lode mining claims covering approximately 11.3% of Altan Nevada’s Radar gold-silver project located in Nye and Minerals Counties, Nevada.

Under the terms of the Agreement, dated January 1, 2013 (the “Effective Date”), the Company will receive the following payments:

Date	Amount
On the Effective Date	$10,000 (Received)
First anniversary of the Effective Date	$15,000 (Received $10,000)
Second anniversary of the Effective Date	$20,000 (Received)
Third anniversary of the Effective Date	$25,000 (Outstanding)
Fourth and each subsequent anniversary of the Effective Date	$30,000

The following work commitments must be incurred by Avidian within the one year period following the Effective Date and each anniversary of the Effective Date (“Lease Year”):

$50,000 annually during each of the second through fifth Lease Years; (met to date)
$100,000 annually during each of the sixth through tenth Lease Years; and
$200,000 annually during each of the remaining Lease Years

At any time during the term of the Agreement, the Radar Claims can be purchased, at the election Avidian, for a one-time payment of $500,000. The Company then becomes entitled to receive a royalty equal to 3% of the Net Smelter Returns (“NSR”) from the production of minerals on the Radar Claims, which can be reduced to a 1.5% NSR royalty by way of a one-time payment by Avidian of $1,500,000.

On February 4, 2015, the Company announced that partner Avidian, has reported results of its 2014 reverse-circulation drilling program at the Company’s Radar gold-silver project (“Radar” or the “Property”) located in the Paradise Peak district, Mineral and Nye Counties, Nevada. Results include 35m grading 0.641 g/t Au.

On September 9, 2014 the Company has announced that it has entered into a lease agreement with Gold Resource Corp (“Gold Resource”). with an option to buy the Radar gold property. Gold Resource is a low-cost gold and silver producer with operations in southern Mexico. The company has returned over $100-million to shareholders in monthly dividends since declaring production July 1, 2010, and offers shareholders the option to convert their cash dividends into physical gold and silver and take delivery.

Pursuant to the lease agreement, the Company will grant Gold Resource the initial right to lease certain of the claims (the "Initial Lease Term") within the Radar project for payments as follows:

i. Payment of $50,000 on signing (Received);
ii. Payment of an additional $100,000 on or before the end of the first lease year (Received);
iii. Payment of an additional $150,000 on or before the end of the second lease year;
iv. Payment of an additional $200,000 on or before the end of the third lease year;
v. Payment of an additional $250,000 on or before the end of the fourth lease year; and
vi. Payment of an additional $250,000 on or before the end of the fifth lease year.

In addition, in order to maintain the claims in good standing during the Initial Lease Term, Gold Resource shall incur expenditures in the minimum amount of $250,000 in each of the first five years.

Upon completion of the Initial Lease Term, Gold Resource will have the right to continue leasing the claims for an additional five years (the "Second Lease Term") by paying $250,000 on or before the end of years six through ten. In addition, in order to maintain the claims in good standing during the Second Lease Term, Gold Resource shall incur expenditures in the minimum amount of $250,000 in each of those years.

At any time during the Initial Lease Term or the Second Lease Term, Gold Resource shall have the exclusive right and option to purchase the claims for the sum of $1,500,000. The Company would retain a 3% NSR royalty on the claims, one-third of which can be purchased by Gold Resource for the sum of $1,000,000.

On February 4, 2015, the Company announced that its other partner at Radar, Gold Resource, has acquired an adjoining claim block in an area where prior drilling intercepted mineralized material. These claims have been included in the Radar project. On March 18, 2015 the Company announced that Gold Resource has commenced a 1780 meter Phase I diamond drill program at Radar.

During the year ended December 31, 2015, Avidian cancelled the option agreement with the Company.

Black Top Gold Project, Nye County, Nevada

Black Top is a large-scale epithermal precious metal system with preliminary work indicating low-sulfidation system characteristics. The target is a Round Mountain (20+ Moz Au) analog, or large tonnage low-grade gold deposits. Black Top currently consists of 102 lode mining claims that were staked between February 2011 and March 2012.

In February 2011, the Company staked the first 299 claims at Black Top which was quickly followed by a geophysical survey that was conducted along four lines totaling 21.6 km. Chargeability highs were discovered to the south-east of the project, which initiated additional staking by the Company.

In March 2011, another 51 claims were staked at Black Top in the south-east of the project. Between March and October 2011, soil sampling, geological mapping, magnetic surveys, and gravity surveys were completed, which defined drill targets for a Phase I drill program. Gold and soil sulfur anomalies are present over a 3 x 7 km area, with values up to 0.73 ppm Au, 10.3 ppm Ag, 2,500+ ppm As and >1,000 ppm Hg.

In October 2011, a further 96 claims were staked by the Company, extending the project area in the south-east.

In March 2012, a further 25 claims were staked by the Company, further extending the project area in the south-east.

On April 10, 2012, the Company announced plans for a Phase I drill program of approximately 3,000 m of reverse circulation drilling scheduled to begin in May. Three drill target areas were identified based on rock chip and soil anomalies, and IP surveys.

On August 22, 2012, the Company released drill results from the Phase I Drill Program, which consisted of eight holes for 3,177.5 m of reverse circulation drilling. Highlighted sections are outlined in the table below. Going forward, the Company will re-double its efforts on the high resistivity portion of the Rachel Grade geophysical target, where an intriguing anomaly has been imaged at depth. This IP resistivity target has not yet been tested and will require 4 to 5 holes in a Phase II drill campaign. Following the 2012 drill program, Altan Nevada reduced the size of the claim block to 102 mining claims (2,047 acres) to focus on the Rachel Grade target in the southeast of the project area.

During the year ended December 31, 2015, management decided that it would no longer pursue the Black Top property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of $1,055,231 was recorded to the statement of loss and comprehensive loss.

Hole ID Zone *Targeting*	T.D. (m)	Az (°)	Dip (°)	Easting (UTM, m)	Northing (UTM, m)	Elev (m)	Mineralization intersected
BT-001 Oswald *IP high + geochem*	262.1	130	-60	589520	4177083	1846.5	Gold peak at 0.074 g/t over 6.1 m in rhyolite at 97.5 m depth. Arsenic cumulative 91.4 m @ 324.2 ppm at 50 ppm cutoff. Anomalous bismuth (1.43 ppm over 6.1 m), antimony (18.4 ppm over 6.1 m), thallium (1.52 ppm over 6.1 m).
BT-002 Middle Domain *IP high + geochem*	426.7	270	-70	590943	4177834	1819.4	Gold peak at 0.097 g/t over 1.5 m in jasperoid from 371.9 m depth, within zone of 16.8 m at 0.048 g/t Au. Anomalous arsenic (496 ppm over 1.5 m), mercury (6.82 ppm over 1.5 m), antimony (360 ppm over 1.5 m), tellurium (6.34 ppm over 1.5 m), thallium (0.76 ppm over 1.5 m).
BT-003 Middle Domain *IP high*	445.0	270	-60	591714	4178612	1791.9	Low level gold (peak at 0.023 g/t over 6.1 m). Highly anomalous arsenic (peak at 686 ppm over 6.1 m). Long runs of mercury including 170.7 m at 1.83 ppm from 219.5 m depth. Anomalous antimony (11.2 ppm over 6.1 m), tellurium (0.87 ppm over 6.1 m), thallium (1.01 ppm over 6.1 m).
BT-004 Rachel Grade *IP high*	609.6	270	-70	594093	4176999	1738.9	Moderately anomalous arsenic (144 ppm over 6.1 m), bismuth (1.63 ppm over 6.1 m), mercury (0.82 ppm over 6.1 m), tellurium (1.68 ppm over 6.1 m), thallium (0.61 ppm over 6.1 m)
BT-005 Rachel Grade *RES high*	548.6	310	-60	592782	4176150	1785.8	Moderately anomalous arsenic (118 ppm over 6.1 m), bismuth (1.26 ppm over 6.1 m), mercury (1.44 ppm over 6.1 m), antimony (8.6 ppm over 6.1 m)
BT-006 Oswald *IP high + geochem*	263.7	150	-60	589018	4177292	1822.1	Gold peak at 0.109 g/t over 6.1 m at 6.1 m depth in rhyolite. Sporadic but strong arsenic (to 919 ppm over 6.1 m) and antimony (15.9 ppm over 6.1 m)
BT-007 Middle Domain *Geochem*	335.3	135	-80	590450	4178245	1792.9	Low level gold (to 0.040 g/t over 6.1 m). Highly anomalous arsenic (429 ppm over 6.1.m), mercury (1.54 ppm over 6.1 m), antimony (11.6 ppm over 6.1 m), thallium (13.07 ppm over 6.1 m), tellurium (1.05 ppm over 6.1 m).
BT-008 Middle Domain *IP high*	286.5	298	-68	590949	4178842	1786.1	Low level gold (to 0.042 g/t over 6.1 m). Moderately anomalous arsenic (93.7 ppm over 6.1 m), mercury (16.2 ppm over 6.1 m), tellurium (6.65 ppm over 6.1 m)
Total	**3,177.5**						

<u>Star Lake Gold Project, Elko & Humboldt County, Nevada</u>

The Star Lake Project is an early stage conceptual exploration target for a district scale extension to the Carlin Gold Trend located in northern Nevada. It consists of 670 contiguous unpatented mining claims that were staked in September and December 2007, located in Northwestern Elko County and Northeastern Humboldt County, northwest of the town of Elko, Nevada.

Following geochemical sampling, geophysical surveys, and remote sensing conducted in 2007 and 2008, the Company drilled four modestly deep diamond core holes in 2009 from 1,143 to 2,550 feet (348 to 686 m). The holes were located in the immediate area of a key gravity anomaly detected in the southern portion of the Star Lake ground in 2008. Drilling has thus far identified a few spot samples of up to 100 ppb Au in the bedrock volcanic rock units.

On August 19, 2011, the NI 43-101 Technical Report named Star Lake Gold Exploration Project Elko and Humboldt Counties, Nevada was completed by Qualified Person, Allan V. Moran, with an effective date of June 10, 2011.

In 2012, the Company expended minimal funds at Star Lake to complete an aeromagnetic survey to further interpret structures at depth. A ground examination with geochemical sampling was recommended to verify the results.

During the year ended December 31, 2014, the Company assessed its Star Lake property for indicators of impairment in accordance with IFRS 6 and IAS 36. Due to the economic uncertainty in general, and the downturn in the mining industry in particular, the Company made the decision to significantly reduce future exploration expenditures on the Star Lake property and allowed a number of claims to lapse. As a result of the lack of planned expenditures on the remaining claims on the property, the Company recorded a loss on impairment of $2,328,829.

During the year ended December 31, 2015, the Company has dropped all remaining interest in Star Lake.

North Star Gold Project, Elko County, Nevada

North Star is an under-explored gold play, at the northern extent of Paleozoic rock exposures along the Carlin Trend, located 55 km north-northwest of Goldstrike in Elko County, northern Nevada. It consists of 163 lode mining claims, covering an area of 3,152 acres, of which 145 are 100% owned by the Company. The remaining 18 claims are owned by a private company and are subject to a purchase option agreement dated September 30, 2009 allowing the Company to obtain a 100% interest.

Between 2009 and 2010, site visits were completed, during which rock samples were collected for geochemistry, and a 100 x 100 m soil grid was completed. A high of 158 ppb Au and 292 ppm As was determined from an oxidized sandstone-siltstone sequence. Locally, in other rock samples, Hg-Sb-Ag-Tl occur at elevated levels, confirming a Carlin geochemical signature.

In July 2011, mapping and sampling campaigns were completed at the project for the purpose of verifying geochemistry and identifying targets. A follow-up deep looking IP profile was completed on the property in December 2011, which showed a large displacement structure, leaking Carlin-style geochemistry to surface and creating a 2 km long arsenic zone encompassing an 800 m long gold anomaly. The structure coincides with an IP chargeability feature at depth, making it a compelling drill target.

On October 12, 2011, the Company paid $25,000 to a private company in accordance to the option agreement (the "Original Agreement") for the North Star project.

In 2012, the Company excavated two exploratory trenches at the North Star project.

On February 27, 2013, the Company announced encouraging assay results from two exploratory trenches which revealed gold values up to 1.06 g/t over 3 m within much broader gold bearing zones ranging from 18 m wide in Trench 3 up to 63 m wide in Trench 2. Within the gold bearing zones, geochemical associations of arsenic, antimony and thallium confirmed the presence of Carlin-type alteration and mineralization. Coupled with IP Resistivity surveys previously completed by the Company, compelling drill targets have been verified and enhanced at North Star.

In late April 2013, the Company staked an additional 44 claims at North Star, for total land holdings of 3,152 acres.

On December 16, 2013, the Company entered into an option agreement (the "New Agreement") with Teck American Incorporated ("Teck"), a wholly owned subsidiary of Tech Resources Ltd., to grant Teck the option to earn up an undivided 70% interest in the North Star project. Under the terms of the New Agreement, the Company grants a First Option to acquire 55% of the North Star project by completing the following:

i) Making the remaining scheduled payments under the Original Agreement, dated September 30, 2009, totalling $2,000,000 in cash as follows:

   - $15,000 on or before the first anniversary of the Original Agreement (Paid);
   - An additional $25,000 on or before the second anniversary of the Original Agreement (Paid);
   - An additional $50,0001 on or before the third anniversary of the Original Agreement (Paid);
   - An additional $75,0001 on or before the fourth anniversary of the Original Agreement; and
   - An additional $100,0001 on or before the fifth anniversary of the Original Agreement and by every subsequent anniversary of the Original Agreement until paid in full.

ii) Incurring an aggregate of $2,500,000 in expenditures over four years under the following schedule:

   - Incur $400,000 in aggregate expenditures by December 31, 2014 (Incurred);
   - Incur $1,000,000 in aggregate expenditures by December 31, 2015; and
   - Incur $ 2,500,000 in aggregate expenditures by December 31, 2017.

To earn an additional 15% (the "Second Option"), Teck shall continuing making the scheduled payments under the Original Agreement and incur an additional $2,500,000 in expenditures (for a total of $5,000,000 in aggregate expenditures) prior to December 31, 2019. Teck has made all payments required under the original Agreement.

On May 22, 2015 the Company has announced that Teck has withdrawn from the North Star project located in Elko County, Nevada. Teck has transmitted a report and all pertinent data to the Company subsequent to the completion of the 2014 exploration program.

During the year ended December 31, 2015, management decided that it would no longer pursue the North Star property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of $425,504 was recorded to the statement of loss and comprehensive loss.

Venus Copper-Gold Project, Yerington District, Nevada

The Venus project consists of copper-iron (Au, Ag) skarns and copper porphyry intrusions in the Pumpkin Hollow area, Yerington District, western Nevada. It consists of 111 unpatented mining claims that were staked in April, June, September and December of 2007.

Between 2007 and 2009, the Company conducted rock chip and soil sampling, geological mapping, and ground geophysical surveys (including gravity, magnetics and four lines of IP/Resistivity) on the property. Results from this work defined geophysical anomalies that coincide with interpreted structures. There is evidence, at surface, of anomalous copper, silver, tellurium, and gold leakage along structures suggesting that geological targets exist similar to the known mineralization at the Pumpkin Hollow project.

On July 31, 2012, the Company announced grab sample assay results from 18 rock samples collected over the Venus project. Assays confirmed previous high gold, copper and tellurium results, and highlighted silver values up to 193 g/t along the northern border from grab samples. Moreover, a newly discovered altered granite dike zone was assayed with high copper (up to 0.86%) and gold (up to 6 g/t) in grab samples. These results confirmed that robust mineralization extends southward from the rapidly developing Pumpkin Hollow deposits, rendering Altan Nevada's ground a prime target for an initial drilling program.

Montelle Gold Project, Yerington District, Nevada

The Montelle project is a vein system or stockwork copper-gold zone in Yerington stage granodiorite. It consists of 60 mining claims in Lyon County that were staked by the Company in December 2007 and are 100% owned.

Since 2007, the Company has completed rock chip, grab, and soil sampling with the highest gold grades reaching up to 23.7 g/t in rock chips within quartz vein material. Within the rock chip and grab samples, some of the anomalous elements with maximums to date are Ag (16.84 ppm), As (59.2 ppm), Bi (97.99 ppm), Cu (9650 ppm), Mo (10.8 ppm), Pb (59.9 ppm), Te (3.66 ppm), and Zn (137 ppm). Magnetic surveys showing prominent and intense highs lying in the central claim block area and magnetic lows to the south have also been completed.

Between September and October 2011, permitting for minor road construction, trenching, and drilling of the main structural zones with high gold grades was initiated and approved.

On March 30, 2012, the Company announced the commencement of a trenching program designed to expose high grade gold-controlling structures. Approximately eight trenches for an aggregate 670 m over a strike length of 1.2 km were planned.

On July 31, 2012, the Company announced trenching assay results from 732 linear meters that were excavated and 237 channel samples that were collected and assayed over two main target zones. Highlights include up to 26 g/t Au and 9.7 g/t Ag in a 0.6 m wide interval in trench T-12, confirming the project's potential for high grade gold mineralization. With the feature having an apparent strike length of approximately 1 km and with local gold grades exceeding 20 g/t, the Company believes that a geophysics program aimed at identifying additional mineralization in coalescing structural zones is warranted.

Marble Station Gold-Copper Project, Yerington District, Nevada

In January 2011, 50 lode mining claims were staked and registered by the Company. These claims, now known as Marble Station, represent an under-explored gold and copper system hosted in Yerington-stage intrusive rocks located in Lyon County, Nevada, that are 100% owned by the Company.

During the year ended December 31, 2015, management decided that it would no longer pursue the Marble Station property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of $74,640 was recorded to the statement of loss and comprehensive loss.

Yellow Cone Project, Nye County, Nevada

In February 2012, claims were staked and registered in the name of Altan Rio (US) Inc. They are 100% owned by the Company.

Yellow Cone was identified through regional geophysics as a structurally-controlled magnetic low astride a regional gravity high. Recent rock sampling shows highly elevated Au, Ag, As, Cu, Mo, Sb, Se, Te, and other elements. Sampling values showed up to 26 g/t gold, 880 g/t silver, and +5% copper.

During the year ended December 31, 2015, management decided that it would no longer pursue the Yellow Cone property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of $588,389 was taken to the statement of loss and comprehensive loss.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in United States.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

The Company has reclamation deposits totaling $157,957 held with the Bureau of Land Management for certain of its mineral interests (2015 - $157,957).

CORPORATE

Directors and Officers

Evan Jones, President, CEO & Director – Mr. E. Jones has served as Chief Executive Officer, President and Director of Altan Nevada Minerals Limited since its inception. He has eight years of experience in corporate advisory and commercial management in the mining industry, including six years based in developing countries. With experience in both private and public mineral exploration companies, Mr. E. Jones has a proven ability to build business networks and negotiate opportunities.

Aidan Nania, Director – Mr. Nania is an Investment Banker and Managing Director of Element Capital Partners, an investment arm of Element Commodities Group, with interests in mining, oil, and gas. Mr. Nania was previously Head of Investment Banking in Australia for Casimir Capital L.P., a natural resources focused investment bank. Mr. Nania is also the former President and CEO of Transatlantic Mining Corp.

John L.C. Jones, Chairman & Director – Mr. J. Jones has served as Chairman and Director of Altan Nevada Minerals Limited since its inception. He has been a prominent player in the international mining sector for over forty years with a long list of successes. Mr. J. Jones' guiding involvement in four companies (Troy Resources NL, Anglo Australian Resources NL, North Kalgurli Mines Limited, and Jones Mining NL) led to the discovery of four deposits and the development of eight mines.

Murray Seitz, Director – Mr. Seitz has served as Director for Altan Nevada Minerals Limited since December 2011. He has ten years of experience in mineral exploration, including corporate compliance, management and business development services. Specializing in capital raising and corporate communications, Mr. Seitz's extensive network provides substantial equity capital for his client companies.

Brion Theriault, Director - Mr. Theriault serves as Director and Exploration Manager for Altan Nevada Minerals Limited. He is Certified Professional Geologist and Qualified Person and has over 20 years' experience in precious metals exploration, development, and production including substantial experience in Nevada on the Carlin, Battle Mountain-Eureka, and Independence Trends. Mr Theriault has consulted to successful juniors and served on the staffs of AngloGold and Newmont. Notably, At Premier Gold Mines he managed the exploration office and designed and supervised their deep-drilling program to explore and delineate the Saddle gold deposit on the Carlin Trend and at Newmont, he discovered an extension of the Lone Tree deposit and developed the stratigraphic model which led directly to the discovery of the Barrel deposit on the Carlin Trend.

Anthony Jackson, CFO – Mr. Jackson has served as Chief Financial Officer of Altan Nevada Minerals Limited since June 2013. Mr. Jackson is a Principal at BridgeMark Financial Corp. providing accounting and financial consulting services to companies by handling all aspects of the company's administration, compliance, reporting and finance activities. Mr. Jackson is also founder of Jackson & Company Chartered Accountants assisting private and public companies with full service accounting and tax functions (audit, reviews, compilations, corporate and personal tax). Prior to his time at BridgeMark, Mr. Jackson spent a number of years working at Ernst & Young LLP while obtaining his CA designation before moving onto work as a senior analyst at a boutique investment banking firm. Most recently Mr. Jackson has had extensive experience as a Director and CFO of numerous publicly traded corporations in the metals and mining industry.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

First quarter ended March 31, 2016

For the quarter ended March 31, 2016, the Company incurred a net loss of $41,668, resulting in a loss per share of $0.00. The loss was attributable to operating expenses of $41,668.

For the quarter ended March 31, 2015, the Company incurred a net loss of $53,202, resulting in a loss per share of $0.00. The loss was attributable to operating expenses of $53,202.

Exploration

The Company capitalizes all exploration costs relating to its resource interests. During the three months ended March 31, 2016, the Company expended $nil in exploration of its Nevada properties as follows:

○ Radar	$	nil
○ Venus	$	nil
○ North Star	$	nil
○ Black Top	$	nil
○ Yellow Cone	$	nil

The Company capitalizes all exploration costs relating to its resource interests. During the three months ended March 31, 2015, the Company expended $3,663 in exploration of its Nevada properties as follows:

○ Radar	$	500
○ Venus	$	125
○ Black Top	$	2,000
○ Yellow Cone	$	1,038

Full particulars of the deferred exploration costs are shown in Note 7 to the Financial Statements.

Expenses

During the three months ended March 31, 2016, the Company incurred $Nil in depreciation, $8,883 in consulting and management fees, $Nil in share based-compensation, $700 in investor relations fees, $19,515 in professional fees, $Nil in project investigation costs, $Nil in travel, $17,009 in foreign exchange gain, and $9,349 in general and administrative expenses.

During the three months ended March 31, 2015, the Company incurred $562 in depreciation, $29,750 in consulting and management fees, $2,197 in share-based compensation, $3,995 in investor relations fees, $634 in professional fees, $3,438 in project investigation costs, $Nil in travel, $2,808 in foreign exchange loss, and $9,818 in general and administrative expenses.

General and administrative expenses consist of computer expenses, dues and subscriptions, insurance, rent, telecommunications, office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations.

RISKS AND UNCERTAINTIES

In conducting its business the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

Readers should review the more detailed discussion of such risk factors set out in the Company's Long Form Prospectus under the heading "Risk Factors", which is filed on SEDAR and may be found at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in US dollars.

	Foreign Exchange Gain / (Loss) $	Net Loss $	Net Loss per Share (basic & fully diluted) $
2016			
First Quarter	17,009	(21,438)	(0.00)
2015			
Fourth Quarter	(399)	(2,254,048)	(0.06)
Third Quarter	(11,559)	(38,462)	(0.00)
Second Quarter	(271)	(51,927)	(0.00)
First Quarter	(2,808)	(53,202)	(0.00)
2014			
Fourth Quarter	4,405	(2,411,107)	(0.07)
Third Quarter	(1,320)	(81,087)	(0.00)
Second Quarter	(1,429)	(69,533)	(0.00)

The net loss in the fourth quarter of 2015 was increased mainly due to the write-off of exploration and evaluation assets of $2,143,764, write-off of receivables of $1,085, write-off of deposit of $26,337, and write-off of equipment of $4,498.

The net loss in the fourth quarter of 2014 was increased mainly due to the write-off of exploration and evaluation assets of $2,328,829.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on equity financings for its working capital requirements and to fund its planned exploration and development activities. Management ensures the Company has sufficient cash in its treasury to maintain underlying option payments and keep claims in good standing.

During the three months ended March 31, 2016, the Company's decrease in cash net of effects of foreign exchange, was $41,875. Working capital deficit as at March 31, 2016 was $597,627.

During the three months ended March 31, 2015, the Company's decrease in cash net of effects of foreign exchange, was $17,472. Working capital deficit as at March 31, 2015 was $494,107.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

RELATED PARTY DISCLOSURE

The Company entered into the following transactions with related parties:

a) Paid or accrued management and consulting fees of $Ni (2015 - $20,250) to Evan Jones, President, CEO and director of the Company. At March 31, 2016, the amount payable to him was $95,000 (December 31, 2015 - $95,000).

b) Paid or accrued accounting and administration services of $8,883 (2015 - $9,480) to BridgeMark Financial Corp. ("BridgeMark"), a management company controlled by a director and an officer of the Company. At March 31, 2016 the amount payable to BridgeMark was $29,699 (December 31, 2015 - $34,105).

c) At March 31, 2016 an amount receivable of $22,722 (December 31, 2015 - $24,761) was due from Altan Rio Minerals Ltd., a company with directors and officers in common.

d) At March 31, 2016, loans payable includes $276,150 (December 31, 2015 - $276,150) owing to John Jones, a director of the Company.

These transactions were incurred in the normal course of operations.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the three months ended March 31, 2016 and 2015 are as follows:

		2016		2015
Management and consulting fees	$	8,883	$	29,730
Share-based payments[1]		-		2,006
Total	$	8,883	$	31,736

[1] share-based payments are the fair value of stock options granted to key management personnel.

CONTRACTUAL AND OTHER OBLIGATIONS

At the present time, there are no contractual and other obligations that should be disclosed.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 3 to the condensed interim consolidated financial statements for the three months ended March 31, 2016. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Exploration and Evaluation Assets

The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

On an ongoing basis, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment is based on: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Impairment of Long-Lived Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the carrying value and recoverability of exploration and evaluation assets, inputs used in the calculation of share-based compensation and agents' warrants and the valuation allowance applied to future income taxes. Actual results could differ from those estimates, and would impact future results of operations and cash flows.

Share-Based Compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from contributed surplus to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities: This category includes loan payable, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables and due from related parties are classified as loans and receivables.

FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper. The Company's receivables consists of sales tax receivable due from the government of Canada. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had a cash balance of $74,548 (December 31, 2015 - $116,423) to settle current liabilities of $748,727 (December 31, 2015 - $753,157). As disclosed in Note 1, the Company will need to raise additional funds to meet its obligations as they become due.

Market Risk

a) *Interest rate risk*

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, taxes receivable, and accounts payable and accrued liabilities that are denominated in Canadian dollars. The Company does not believe it is exposed to significant foreign currency risk.

c) *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in the United States and is exposed to risk from changes in the Canadian dollar. A simultaneous 10% fluctuation in the Canadian dollar against the US dollar would affect accumulated other comprehensive loss for the year by approximately $3,316 (2015- $1,181).

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 37,029,600 common shares were issued and outstanding as of the date of this MD&A.

The Company has no share purchase warrants outstanding as of the date of this MD&A.

The following summarizes information about the stock options outstanding as of the date of this MD&A:

Number of Options	Option Exercise Price	Expiry Date
803,100	C$0.40	February 1, 2017
1,360,000	C$0.10	January 23, 2019
2,163,100		

EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events.

NEW STANDARDS ADOPTED DURING THE PERIOD

Effective January 1, 2016, the following standards were adopted but have had no material impact on the consolidated financial statements:

IFRS 7, Financial Instruments Disclosure

Amended to require additional disclosures on transition from IAS 39 and IFRS 9.

New standards not yet adopted

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2016. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This new standard is tentatively effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.