BTU CAPITAL CORP.

MANAGEMENT DISCUSSION & ANALYSIS

Year Ended

April 30, 2015

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of the operations of BTU Capital Corp (the "Company") as at April 30, 2015 and related notes thereto.

This MD&A should be read in conjunction with the audited financial statements for the year ended April 30, 2015 and supporting notes. These financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is January 5, 2017. Additional information regarding the Company is available on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This MD&A together with the Company's financial statements for the year ended April 30, 2015 contain certain statements that may be deemed "forward-looking statements". Forward-looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "continue", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Inherent in forward-looking statements involve known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

DESCRIPTION OF BUSINESS

BTU Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 28, 2008. The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company is listed on the TSX Venture Exchange, having the symbol BTU.P. The Company is delinquent on certain of its filings and fees and is currently cease-traded.

OVERALL PERFORMANCE

The Company is a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange") which is in the process of investigating and analyzing a Qualifying Transaction. The Company has commenced the process of identification and evaluation of businesses and assets with a view to complete a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to majority of the minority approval in accordance with the CPC policy. The Company has not conducted any commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interest. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company has reviewed and anticipates it will continue to review companies, assets and businesses in broad range of industry sectors and geographical areas. Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of business or assets with a view to complete a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. The funds raised pursuant to the Company's initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Proposed Transaction

On August 16, 2013, the Company entered into an agreement (the "Agreement") with Nakina Resources Inc. ("Optionor"), whereby the Company was granted the option (the "Option") to acquire up to an 80% interest in mineral claims comprising a property for exploration of gold mineralization known as the Tatsamenie property (the "Property"), located within the Atlin Mining District of British Columbia, Canada.

The transaction is intended to constitute the Company's Qualifying Transaction ("QT") under Policy 2.4 of the Exchange for capital pool companies.

Terms of the Transaction

Pursuant to the terms of the Agreement, the Company will make total cash payments of $425,000, issue a total of 3,000,000 common shares of the Company, and incur exploration expenditures of $4,000,000 as follows:

	Cash $	Number of Common Shares	Minimum Exploration Work Commitment $
Upon Exchange Approval of Interim Loans	25,000 (Paid)	-	-
Upon Receipt of the Final Exchange Bulletin ("FEB") Issued by the Exchange	50,000	500,000	-
On or Before 1st Anniversary of FEB	-	-	200,000
On or Before 2nd Anniversary of FEB	50,000	500,000	800,000
On or Before 3rd Anniversary of FEB	75,000	500,000	1,000,000
On or Before 4th Anniversary of FEB	100,000	750,000	1,000,000
On or Before 5th Anniversary of FEB	125,000	750,000	1,000,000
	425,000	3,000,000	4,000,000

The initial 500,000 common shares issuable to the Optionor upon receipt of the FEB is deemed to be issued at a price equal to $0.10 per common share, being the price of the units under the concurrent offering described below. Any adjustment to such unit offering price shall result in a proportionate adjustment to the number of shares payable to the Optionor.

Upon satisfaction of the above cash payments, share issuances, and work commitments, the Company will hae earned an 80% interest in the Property. The Property is subject to a 2% net smelter return ("NSR") royalty. The Company has the option to buy back a 1% NSR for $1,000,000.

Concurrent Financing

As a condition of the QT, the Company is required to complete, concurrently with the closing of the QT, a loan arrangement and a non-brokered private placement as follows:

a) The Company agreed to arrange interim loans to borrow up to $75,000 bearing interest at 12% per annum. The proposed loan financing was obtained on August 21, 2013.

b) The Company will raise up to $500,000 through the issuance of up to 2,000,000 flow-through units and 3,000,000 non flow-through units at a price of $0.10 per unit. Each unit will be comprised of one common share and one half of a share purchase warrant, with each whole warrant being exercisable into one non flow-through common share of the Company at a price of $0.15 per share for a term of 1 year. The Company may pay a fee to brokers and other finders comprised of shares, warrants, cash, or a combination thereof.

Conditions of Closing

The completion of the QT is subject to a number of conditions, including satisfactory completion of due diligence, receipt of regulatory approvals, and completion of the concurrent private placement. There can be no assurance that the QT will be completed as proposed or at all.

Cancellation of Agreement

Subsequent to the year ended April 30, 2015, the qualifying transaction with Nakina Resources Inc. was cancelled. Accordingly, the Company has written off the option payment for the year ended April 30, 2015.

Mineral Property

A summary of capitalized acquisition costs for the Tatsamenie Property is as follows:

	$
Balance, April 30, 2013	-
Option Payment	25,000
Balance, April 30, 2014	25,000
Write –off of option payment	(25,000)
Balance, April 30, 2015	-

LOAN PAYABLE

	2015 $	2014 $
Due to Shareholder of the Company (a)	81,560	67,135
Due to Sunorca Development Corp. (b)	42,099	37,980
Due to Ridge Resources Ltd. (c)	30,072	27,129
	153,731	132,244

a) The amount due to a shareholder of the Company is unsecured, subject to an interest of 20% per annum, and has no specific terms of repayment. During the year ended April 30, 2015, the Company accrued interest expense of $14,425 (2014 – $9,468) on the loan. As at April 30, 2015, the outstanding loan balance included an interest payable of $32,260 (2014 – $17,835).

b) On August 21, 2013, the Company received a $35,000 loan from Sunorca Development Corp ("Sunorca"). The loan bears an interest of 12% per annum and is repayable by December 31, 2014. The Company accrued interest expense of $4,120 (2014 - $2,980 for the year ended April 30, 2015. During the year ended April 30, 2014, the Company recorded an additional interest expense of $7,000 for the issuance of 70,000 common shares of the Company to Sunorca at a deemed price of $0.10 per common share as a bonus interest payment on August 21, 2013. Sunorca and Nakina Resources Inc. (Note 6) have a common officer and director. As at April 30, 2015, the outstanding loan balance included an interest payable of $7,099 (2014 - $2,980)

c) On August 21, 2013, the Company received a $25,000 loan from Ridge Resources Ltd. ("Ridge"). The loan bears an interest of 12% per annum and is repayable by December 31, 2014. The Company accrued interest expense of $2,943 (2014 - $2,129) for the year ended April 30, 2015. During the year ended April 30, 2014, the Company recorded an additional interest expense of $5,000 for the issuance of 50,000 common shares of the Company to Ridge at a deemed price of $0.10 per common shares as a bonus interest payment on August 21, 2013. Ridge is an arm's length private company. As at April 30, 2015, the outstanding loan balance included an interest payable of $5,071(2014 - $2,129).

On June 26, 2015 the Company received a court order to repay Ridge the sum of $25,000 principal and contractual interest of 12% per annum, which amounted to $5,474 at that date.

RESULTS OF OPERATIONS

During the year ended April 30, 2015, the Company reported a loss of $67,997 (2014 -$119,430). The Company's loss per share was $0.03 (2014-$0.05). The loss for the year ended April 30, 2015 was mainly due to the following:

- Professional fees of $11,023 (2014 -$35,520) were incurred in relation to legal, audit and accounting services.
- Transfer agent and filing fees of $8,637 (2014 -$12,738) mostly associated with the transfer agent fees of the Company.
- Interest expense of $21,539 (2014 - $26,728) was accrued from three cash advances from unrelated parties. The loans bear interest of 12% to 20% per annum, two loans are repayable by December 31, 2014. One loan has no specified terms of repayment.

SUMMARY OF QUARTERLY REPORTS

Results for the most recent quarters ending with the last quarter for the period ended April 30, 2015**:**

	Three Months Ended			
	April 30, 2015 $	January 31, 2015 $	October 31, 2014 $	July 31, 2014 $
Interest income	Nil	Nil	Nil	Nil
Net loss	(33,775)	(12,917)	(12,161)	(9,144)
Basic and diluted per shares	(0.01)	(0.00)	(0.00)	(0.00)

	Three Months Ended			
	April 30, 2014 $	January 31, 2014 $	October 31, 2013 $	July 31, 2013 $
Interest income	Nil	Nil	Nil	Nil
Net loss	(75,328)	(14,734)	(22,140)	(7,228)
Basic and diluted per shares	(0.03)	(0.01)	(0.00)	(0.00)

Over the last eight quarters, the Company has been engaged in the identification and evaluation of business for the purposes of completing a Qualifying Transaction. Expenses are limited to accounting, office, consulting and professional fees in the context of maintaining the listing, associated reporting requirements and evaluation of potential property acquisition for a Qualifying Transaction.

FOURTH QUARTER RESULTS

No significant items or events occurred in the fourth quarter of fiscal 2015 that would affect the Company's financial position, cash flows or results of operations. During the fourth quarter, the Company reported a loss of $33,775 compared to a loss of $75,328 in 2014 relating to expenses for the quarters.

SELECTED ANNUAL INFOMATION

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Company's audited financial statements for the year ended April 30, 2015, 2014 and 2013.

	2015 $	2014 $	2013 $
Financial Results			
Interest income	Nil	Nil	Nil
Net loss for the year	(67,997)	(119,430)	(111,087)
Basic and diluted loss per share	(0.03)	(0.05)	(0.05)
Total Assets	17	27,538	3,196

RELATED PARTY TRANSACTIONS

As at April 30, 2015, there was a balance due to a former director of the Company in the amount of $4,559 (2014 – $4,559) for expenses incurred on behalf of the Company. The balance due is non-interest bearing, unsecured, and has no specified terms of repayment. The balance has been classified as accounts payable for the year ended April 30, 2015 as he is no longer a director of the Company.

All related party transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

LIQUIDITY AND CAPITAL RESOURCES

The Company proposes to identify and evaluate businesses and assets with a view of completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to majority of the minority approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The Company currently intends to pursue a Qualifying Transaction in the mining business sectors but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Company following completion of the Qualifying Transaction.

In accordance with the CPC Policy, except where the Resulting Company will be an oil and gas Company or a mining Company, the significant assets must be located in Canada or the United States.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view of completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. The funds raised pursuant to this offering and any subsequent financing will be utilized for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition, except as authorized by the Policies of the Exchange and the applicable securities regulations.

	April 30, 2015	April 30, 2014
Deficit	$ 1,067,561	$ 999,564
Working deficit	370,845	305,348

ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective as of April 30, 2015. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

IFRS 7, Financial Instruments Disclosures

IFRS 7 was amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015. The Company is assessing the impact of this new standard but does not expect it to have a significant effect on the financial statements.

IFRS 9, Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of International Accounting Standards ("IAS") 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2013, but amendments issued in December 2011 have moved the mandatory effective date to January 1, 2018. The Company is assessing the impact of this new standard but does not expect it to have a significant effect on the financial statements.

IFRS 16, Leases

IFRS 16 applies to the recognition, classification, measurement and disclosure of leases and is a replacement of IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of this new standard but does not expect it to have a significant impact on the financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of BTU Capital Corp. accounting policies are presented in Note 3 of the financial statements ended April 30, 2015. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

MANAGEMENT FINANCIAL RISKS

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3(h) of the financial statement. The Company's risk management is coordinated in close co-operation with the board of directors and focuses on actively securing the Company's short to medium term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) Fair Values

The Company uses the following hierarchy for determining fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Financial assets at fair value			
	Level 1	Level 2	Level 3	April 30, 2015
Held-for-trading financial asset				
Cash	$ 17	-	-	$ 17
Total financial assets at fair value	$ 17	-	-	$ 17

The fair values of the Company's cash, amounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short term nature. The carrying amounts of the amount due to related party and loans payable are measured at amortized cost and approximate their fair values.

b) Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk.

c) 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 is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company has a working capital deficiency of $370,845 as at April 30, 2015. There can be no assurance that such financing will be available on terms acceptable to the Company.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest on the Company's loans payable is based on fixed rates, and as such the Company is not exposed to significant interest rate risk.

e) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

f) Equity Price Risk

The Company is exposed to price risk with respect to 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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at April 30, 2015 was $523,425 (2014 – $523,425). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, warrants or options, issue new debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in liquid short-term interest bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company's share capital is not subject to external restrictions. There were no changes in the Company's approach to capital management during the year ended April 30, 2015.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

OUSTANDING SHARES

As at April 30, 2015, the Company had the following securities issued and outstanding:

	Number
Common shares	2,553,334

RISKS AND UNCERTAINTIES

The Company is a Capital Pool Company under the policies of the TSX Venture Exchange Inc. If the Company fails to complete a Qualifying Transaction, the TSX Venture Exchange Inc. could suspend or delist the common shares of the Company. An interim cease trade order may be issued against the Company's securities by an applicable securities commission if the common shares of the Company are suspended from trading on or delisted from the TSX Venture Exchange Inc.

The completion of the Qualifying Transaction described above, is subject to a number of conditions, including satisfactory completion of due diligence, receipt of regulatory approvals, and completion of the concurrent private placement. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

OTHER REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.