ZONTE METALS INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE and NINE MONTHS ENDED

OCTOBER 31, 2015

Zonte Metals Inc.
Management Discussion & Analysis
For the three and nine months ended October 31, 2015

BACKGROUND

The Management Discussion and Analysis ("MD&A") of Zonte Metals Inc. ("Zonte" or the "Company") provides an analysis of the results for the three and nine months ended October 31, 2015. The MD&A should be read in conjunction with the financial statements of the Company for the years ended January 31, 2015 and 2014. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in Canadian dollars unless otherwise specified. Additional information regarding the Company is available on SEDAR at **www.sedar.com.**

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market for gold will continue and grow and that the risks listed below will not adversely impact the business of the Company.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: the Company's ability to continue as a going concern; limited operating history; exploration and development risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors" below.

1.1 Date of Report

This report is prepared as of December 22, 2015.

1.2 OVERALL PERFORMANCE and COMPANY OVERVIEW

Zonte is a junior mineral exploration company primarily focused on gold. The Company's common shares are listed and trade on the TSX Venture Exchange (the "TSX-V" or the "Exchange") under the symbol "ZON".

The Company has no producing operations and accordingly no operating income or cash-flow. The Company is dependent on accessing capital markets in order to raise the funds necessary to continue exploration on its existing properties, acquire new properties, and meet its ongoing working capital requirements. As of the date of this report, no mineral reserves or resources have been delineated on any properties in which the Company has an interest and accordingly they remain at a relatively early stage.

During the nine months ended October 31, 2015 ("YTD -16"), the Company incurred a net loss and comprehensive loss of $224,078, a reduction of $67,509, approximately 23%, over the net loss and comprehensive loss of $291,587 incurred for the nine months ended October 31, 2014 ("YTD-15"). In light of the challenging financial markets for the junior resource sector and the Company's limited financial resources, the Company implemented a series of cost management strategies in mid-Fiscal 2013 that continued throughout YTD-16 and are expected to continue going forward. The current cost management strategies are based on maintaining minimal staffing and expenditure levels and deferring executive salaries.

During the three months ended October 31, 2015 ("Q3-16"), the Company incurred a net loss and comprehensive loss of $73,974 a decrease of $6,581, approximately 8%, over the net loss and comprehensive loss of $80,555 incurred for the three months ended October 31, 2014 ("Q3-15"). While the Company's cost management strategies remained in place during Q3-16, significant decreases in transfer agent, listing and filing fees, as well as travel and entertainment, were primarily responsible for the decreased loss during the period.

On July 9, 2014, the Company closed a private placement financing (the "Private Placement") and issued 3,172,538 units (the "Units") at a price of $0.065 per Unit for total gross proceeds of $206,215. Each Unit was comprised of one common share and one-half of one common share purchase warrant, with each whole warrant (the "Warrants") entitling the holder thereof to acquire one common share of the Company at a price of $0.10 at any time prior to July 9, 2016. In connection with the Private Placement, the Company issued 24,320 Broker Warrants and paid cash finders' fees aggregating $1,581. Each Broker Warrant entitles the holder to purchase one common share of the Corporation at an exercise price of $0.10 per share at any time prior to January 9, 2016. Based on reduced investor demand, the Company did not proceed with a contemplated second tranche of the financing.

On December 16, 2015, the Company announced that it planned to raise up to $100,000 through a non-brokered private placement that will include up to 1,176,500 units (the Dec 2015 Units) at a price of $0.085 per Unit (the Offering) subject to TSX Venture Exchange approval. Each Dec 2015 Unit will consist of one common share and one full share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.16 for a period of 24 months from the date of the issuance. There is no assurance that the Offering will be successful.

The Wings Point Project, which has been the Company's primary exploration focus to date, is located on the island portion of Newfoundland and Labrador, about 30 kilometres ("km") north of Gander. During July 2014, the Company amended the terms of its Wings Point North option agreement, covering the primary area of interest, and acquired a 100% interest in the property subject to certain royalties by issuing the vendors 1,000,000 common shares of the Company (see *Section 1.11 – Exploration Properties*). The Wings Point Project was initially acquired pursuant to the Wings Point North option agreement in December 2010 and lies within a mineral belt that Zonte is targeting for sediment hosted bulk tonnage potential notwithstanding historic results from programs targeting narrow high-grade gold structures. The Company's exploration programs to date have been comprised primarily of ground exploration and geophysics. The Company has identified multiple targets for follow-up and drilling on the Wings Point Project and during F-2015 applied and received initial drill permits to drill test the anomalies in the subsurface but, as of the date of this report, has decided to defer the drill program until the capital markets for the junior resource sector improve. During the year ended January 31, 2015, the Company reduced the size of the Wings Point Project by terminating the Wings Point South option and dropping claims peripheral to the primary area of interest.

The Company is also seeking project acquisitions in politically stable jurisdictions, particularly Colombia. Within Colombia, through relationships dating back to fiscal 2013, the Company has visited and identified properties of interest, and continues to pursue opportunities at many levels, including individual title holders, associations controlling titles, communities controlling large land packages and individuals presenting unique opportunities.

During F-2014, Zonte identified and, in collaboration with strategic partners (together the "Applicants"), made applications for three exploration licenses in Colombia, covering areas believed to be highly prospective. The areas were confirmed as open ground on the Government of Colombia's website and the Applicants' applications have been confirmed as the first received following commencement of the application process. On November 19, 2015, the Company issued a press release disclosing that one of the applications was made covering open ground within the Gramalote Deposit, a project which is held by a joint venture between AngloGold Ashanti (NYSE:AU) and

B2Gold (TSX:BTO, NYSE:BTG). The application was subject to review by the Secretaria de Minas (Secretary of Mines), Department of Antioquia, Colombia, who despite acknowledging the area under application as open ground, has notified the Company's partner that it is denying the application. Zonte and its partner have now engaged legal counsel to challenge this decision and legal counsel has advised the Company that it is of the opinion the application was not processed in accordance with the Colombian Mining Code. In addition, the Company has retained the former head of the Secretaria de Minas, Department of Antioquia, as a legal advisor. This advisor is well versed in the Mining Code 685 of 2001, which governs the titling process and the combined legal team provides the Company with a comprehensive plan to move forward with its challenge of the initial decision. Upon receipt of the titles by the Applicants and subject to board and regulatory approvals, Zonte can acquire each of the mineral concessions from the Applicants for a specified number of Zonte common shares. The Company's objective is to identify and acquire projects through strategic acquisitions and/or license applications that add value while minimizing dilution and maintaining an attractive equity structure that will benefit shareholders as the Company moves forward. Accordingly, the Company is carrying out minimal exploration or acquisition activity while it awaits the outcome of its applications.

1.3 SELECTED ANNUAL INFORMATION

The following table outlines selected financial information for the years ended January 31, 2015, 2014 and 2013. The financial information is extracted from the Company's audited financial statements which have been prepared in accordance with IFRS.

All amounts are expressed in thousands of Canadian dollars, except per share amounts:

		Year ended January 31, 2015		Year ended January 31, 2014		Year ended January 31, 2013
Revenue	$	-	$	-	$	-
Net loss and comprehensive loss	$	554	$	394	$	446
Basic and diluted loss per share	$	0.02	$	0.02	$	0.02
Working capital	$	77	$	(23)	$	144
Total assets	$	588	$	675	$	918
Non-current financial liabilities	$	433	$	221	$	2

The Company has no producing operations and expects to record losses until such time as an economic resource is identified, developed and exploited on one or more of the Company's properties or the properties are otherwise disposed of at a profit. The Company's future operations will depend on its ability to access additional equity financing and future losses and asset values will be significantly impacted by any impairment write-downs or abandonment of any resource properties.

1.4 RESULTS OF OPERATIONS

NINE MONTHS ENDED OCTOBER 31, 2015

During YTD-16, the Company incurred a net loss and comprehensive loss of $224,078 a reduction of $67,509, approximately 23%, over the net loss and comprehensive loss of $291,587 incurred for YTD-15. The Company has no producing operations and its only revenue was interest income of $516 and $183 earned in YTD-16 and YTD-15, respectively. The Company's Operating expenses totaled $224,520 in YTD-16, a reduction of $67,021, a 23% decrease, over YTD-15 expenses of $291,541.

The material break-down of Operating expenses for YTD-16 and YTD-15 are presented in the following table:

	For the nine months ended	
	31-Oct 2015	**31-Oct 2014**
	$	$
Operating expenses:		
Management and consulting fees	**184,421**	187,807
Write-off exploration and evaluation assets	**-**	40,470
Office & general	**1,373**	4,319
Transfer agent, listing & filing fees	**14,439**	20,053
Legal	**-**	1,043
Insurance	**6,706**	7,920
Travel & entertainment	**-**	1,546
Communications	**2,475**	3,109
Investor relations & shareholder communications	**1,462**	1,544
Accounting & audit	**7,500**	7,700
Depreciation	**3,312**	3,312
Property evaluation & pre-acquisition costs	**2,832**	8,159
Stock based compensation	**-**	4,613
Other expense	**-**	(54)
	224,520	291,541

The most significant operating cost expenditures and variances over the prior year's period are as follows:

- Management and consulting fees of $184,421 represented a decrease of 3% over YTD-15 as the Company continued to operate with minimum staffing levels;
- Write-off of exploration and evaluation assets decreased to $nil in YTD-16 as compared to $40,470 in YTD-15. The YTD-15 write-off related to the write-off of exploration and evaluation assets arising from the termination of the Wings Point South option in March 2014. Future impairment write-downs or abandonment of resource property interests, and the timing thereof, will have a significant impact on future losses;
- Office and general costs decreased to $1,373 a 68% reduction, over YTD-15 expenditures of $4,319 as the Company continues to operate out of rent free premises and maintains reduced corporate activity and staffing levels;
- Transfer agent, listing and filing fees decreased by $5,614, to $14,439, a 28% reduction, over YTD-15 as the Company had no additional regulatory filings during the period as compared to YTD-15 when the Company incurred additional Exchange fees arising from the Private Placement and issue of shares in connection with the acquisition of Wings Point North ;
- Legal costs decreased by $1,043, a reduction of $1,043 over YTD-15 as a result of reduced corporate activity in YTD-16;
- Investor relations and shareholder communications expenditures of $1,462 decreased by $82 over YTD-15 as the Company maintained minimal levels of discretionary investor relations activities while the junior resource sector continues to face challenging financial markets;

- Property evaluation and pre-acquisition costs decreased to $2,832, a $5,327, a 65% decrease, over YTD-15, as the Company reduced activities related to potential property acquisitions and license applications in Columbia as it waits for the approval of three mineral applications, made in collaboration with strategic partners as announced in the Company's press release dated March 26, 2014; and

- The value of stock options granted in January 2013 has now been fully expensed in line with the option vesting period and, accordingly, stock-based compensation expense decreased to nil during YTD-16 as compared to $4,613 during YTD-15. Stock-based compensation expense will remain at nil until such time as additional options are granted.

THREE MONTHS ENDED OCTOBER 31, 2015

During Q3-16, the Company incurred a net loss and comprehensive loss of $73,974 a decrease of $6,581, approximately 8%, over the net loss and comprehensive loss of $80,555 incurred for Q3-15. The Company has no producing operations and its only revenue was interest income of $151 and $32 earned in Q3-16 and Q3-15, respectively. The Company's Operating expenses totaled $74,108 in Q3-16, a decrease of $6,389, an 8% decrease, over Q3-15 expenses of $80,497, primarily attributable to reductions in stock based compensation and property evaluation costs. The material break-down of Operating expenses for Q3-16 and Q3-15 are presented in the following table:

	$	$
Operating expenses:		
Management and consulting fees	**61,750**	63,625
Write-off exploration and evaluation assets	**-**	-
Office & general	**588**	861
Transfer agent, listing & filing fees	**4,758**	6,173
Legal	**-**	-
Insurance	**2,594**	2,620
Travel & entertainment	**-**	1,546
Communications	**696**	1,059
Investor relations & shareholder communications	**-**	-
Accounting & audit	**2,500**	2,500
Depreciation	**1,104**	1,104
Property evaluation & pre-acquisition costs	**118**	1,063
Stock based compensation	**-**	-
Other expense	**-**	(54)
	74,108	80,497

The most significant operating cost expenditures and variances over the prior year's period are as follows:

- Management and consulting fees of $61,750 represented a reduction of 3% over Q3-15 as the Company continued to operate with minimum staffing levels

- Office and general costs increased by $273 to $588, a 32% increase over Q3-15 as the Company continues to operate out of rent free premises and maintains reduced corporate activity and staffing levels;

- Transfer agent, listing and filing fees decreased by $1,415, a 23% reduction, over Q3-15 as the Company had no additional regulatory filings during Q3-16 as compared to Q3-15 when the Company incurred additional Exchange fees arising from the Private Placement and issue of shares in connection with the acquisition of Wings Point North completed in July 2014;

- The Company did not incur any legal costs in either Q3-16 or Q3-15;
- The Company did not incur any Investor relations and shareholder communications expenditures in either Q3-16 or Q3-15 as the Company maintained minimal levels of discretionary investor relations activities while the junior resource sector continues to face challenging financial markets;
- Property evaluation and pre-acquisition costs of $118 decreased by $945 over Q3-15 as the Company maintains minimal levels of expenditures while it waits for the approval of three mineral applications, made in collaboration with strategic partners as announced in the Company's press release dated March 26, 2014; and
- The value of stock options granted in January 2013 has now been fully expensed in line with the option vesting period and, accordingly, stock-based compensation expense was $nil during Q3-16 and Q3-15. Stock-based compensation expense will remain at nil until such time as additional options are granted.

1.5 SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results for the most recent eight quarters is included in the table below. The financial information is extracted from or derived from the Company's unaudited interim financial statements and conform with IFRS. All amounts are expressed in thousands of Canadian dollars, except per share amounts:

	Fiscal 2016			Fiscal 2015				Fiscal 2014
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	Oct-15	Jul-15	Apr-15	Jan-15	Oct-14	Jul-14	Apr-14	Jan-14
Revenue	-	-	-	-	-	-	-	-
Net loss	$ 74	$ 73	$ 77	$ 262	$ 81	$ 85	$ 126	$ 67
Net loss per share								
- basic and diluted	$ -	$ -	$ -	$ 0.01	$ -	$ -	$ 0.01	$ -
Total assets	$ 510	$ 513	$ 545	$ 588	$ 817	$ 869	$ 623	$ 675

As previously noted, the Company has no producing operations and expects to record losses until such time as an economic resource is identified, developed and exploited on one or more of the Company's properties or the properties are otherwise disposed of at a profit. The Company's future operations will depend on its ability to access additional equity financing and future quarterly results will be significantly impacted by any impairment write-downs or abandonment of any resource properties as well as the value of stock-based compensation related to the vesting of options in any particular period.

1.6 LIQUIDITY AND CASH FLOWS

The Company plans to maintain operating expenditures at minimal levels until such time as a property acquisition is completed and the Company is able to raise additional financing. The Company's operating plan is expected to be adjusted if and when an acquisition and financing are completed.

Liquidity

At October 31, 2015, the Company had cash and cash equivalents of $22,001 (January 31, 2015 - $100,161) including $16,611 in cashable guaranteed investment certificates (January 31, 2015 - $86,400) and cash on hand with banks of $5,390 (January 31, 2015 - $13,761). The Company had a working capital deficiency as at October 31, 2015 of $29,907 (January 31, 2015 – positive working capital of $68,868).

As a mineral exploration company, the Company has no present sources of revenue. During the period, the Company paid its administrative costs, the costs of acquiring exploration properties, and other normal course expenditures, out of the proceeds of the issuance of common shares in previous periods. For the foreseeable future, the Company will remain dependent on the issuance of additional shares to raise funds to continue the exploration on and evaluation of its properties and to fund ongoing operating costs.

Management anticipates that the Company will require additional funds to meet the Company's obligations and budgeted expenditures over the foreseeable future. The anticipated funding shortfall may be met in a number of ways including, but not limited to, the sale of equity or debt securities, further expenditure reductions, renegotiation of the amount and timing of exploration property payments and/or the introduction of joint venture partners. There is, however, no assurance that these sources of funding or initiatives will be available to the Company, or that they will be available on terms which are acceptable to the Company. The ability to raise additional funds through the sale of shares will depend on the state of the gold and other commodity markets and on the state of equity markets in general, as well as the exploration results achieved on the Company's properties. On December 16, 2015, the Company announced that it planned to raise up to $100,000 through a non-brokered private placement that will include up to 1,176,500 units (the Dec-15 Units) at a price of $0.085 per Unit (the Offering) subject to TSX Venture Exchange approval. Each Dec-15 Unit will consist of one common share and one full share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.16 for a period of 24 months from the date of the issuance. There is no assurance that the Offering will be successful.

Operating Activities

The Company's cash used in operating activities was $77,883 and $92,568 for YTD-16 and YTD-15, respectively. Operating activities reflected the Company's reduced staffing levels, deferral of executive salaries and efforts to minimize expenditures as explained in the Results of Operations and Transactions with Related Parties sections herein.

The Company's cash used in operating activities was $7,097and $55,244 for Q3-16 and Q3-15, respectively. The operating activities in both Q3-16 and Q3-15 reflect the Company's reduced staffing levels, deferral of related party salaries and efforts to minimize expenditures as explained in the Results of Operations and Transactions with Related Parties sections herein.

Financing Activities

The Company's cash used by financing activities for YTD-16 was $793 as compared to cash provided by financing activities of $203,756 during YTD-15. In July 2015, the Company completed a private placement financing resulting in net proceeds of $204,634 (see *Section 1.14 - Share Capital*).

The Company's cash used by financing activities for Q3-16 was $262 as compared to cash used by financing activities of $311 during Q3-15. Finance lease payments of $245 and $221 in Q3-16 and Q3-15, respectively, represented the primary use of funds by financing activities.

Investing Activities

The Company's cash provided by investing activities of $516 during YTD-16 compared to $588 used in financing activities in YTD-15. The YTD-15 investing activities consisted of expenditures on exploration and evaluation assets of $771 offset by interest income of $183 while the YTD-16 investing activities were limited to receipt of interest income with no expenditures incurred on exploration and evaluation assets.

The Company's cash provided by investing activities of $151 during Q3-16 compared to $32 used in financing activities in Q3-15. The Q3-16 and Q3-15 investing activities consisted entirely of interest income.

1.7 CAPITAL RESOURCES AND GOING CONCERN

The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. The Company's continuing operations and the underlying value and recoverability of the amounts invested in exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration property interests, and on future profitable production or proceeds from the disposition of the exploration property interests. To date, the Company has not earned any revenue.

During YTD-16 and Q3-16, the Company incurred losses of $224,078 and 73,974, respectively (YTD-15 - $291,587; Q3-15 - $80,555) and as at October 31, 2015 had an accumulated deficit of $2,691,983 (January 31, 2015 - $2,467,905). The Company has no income or cash flows from operations and at October 31, 2015 had a working capital deficiency of $29,907 (January 31, 2015 – positive working capital of $68,868). The ability of the Company to fulfill its commitments, meet its planned business objectives and continue as a going concern is dependent upon the ability of the Company to raise additional financing and upon successful results from its mineral property acquisitions and exploration activities.

On December 16, 2015, the Company announced that it planned to raise up to $100,000 through a non-brokered private placement that will include up to 1,176,500 units (the Dec-15 Units) at a price of $0.085 per Unit (the Offering) subject to TSX Venture Exchange approval. Each Dec-15 Unit will consist of one common share and one full share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.16 for a period of 24 months from the date of the issuance. There is no assurance that these initiatives or the Offering will be successful.

1.8 OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off balance sheet arrangements or transactions.

1.9 TRANSACTIONS WITH RELATED PARTIES

The salary paid to the President and Chief Executive Officer (“CEO”) was reduced by increments of $50,000, $25,000 and $12,000 per annum with effect from July 1, 2011, October 1, 2011 and July 1, 2012, respectively with corresponding amounts deferred for future payment. Effective April 30, 2013, the repayment terms of the deferred salary components were further revised to a date to be mutually agreed between the CEO and the Board of Directors and may be settled through a combination of cash and shares.

Included in Due to Related Parties at October 31, 2015 is $437,561 (January 31, 2015 - $342,978) payable to the President and CEO, including $358,750 (January 31, 2015 - $293,500) for deferred salary, $73,333 related to ten months of additional voluntary salary deferral (January to June 2014 and July to October 2015) and $5,478 related to reimbursable expenses incurred on behalf of the Company.

Effective August 1, 2013, a consulting services agreement, with a company controlled by the Chief Financial Officer (“CFO”) of the Company, was amended to include, as part of the CFO’s compensation, $2,500 per month, to be settled through the issuance of shares by the Company. Pursuant to a further amendment agreement dated December 18, 2014, fees payable in connection with the consulting services agreement of $80,250 were deferred until a date to be mutually agreed between the CFO and the Company’s Board of Directors and, if mutually agreeable, may be settled through a combination of cash and shares. The amendment agreement also provides for the monthly deferral of $5,500 and payment of $500 for future consulting fees arising from the consulting services agreement. Included in Due to Related Parties at April 30, 2015 is $141,250 (January 31, 2015 – $89,250), including $67,500 payable in common shares of the Company, subject to regulatory approval, in connection with CFO consulting fees.

1.10 PROPOSED TRANSACTIONS

The Company continues to evaluate various mineral properties with a view to acquiring a strategic property in an established mining "friendly" jurisdiction. Over the past year, the Company's primary focus for acquisition opportunities has been in the country of Colombia where it continues with due diligence and negotiations on several projects of interest. There is no assurance that the Company will be successful in acquiring a strategic property or what the impact of an acquisition might be. The Company expects it may require additional financing to complete an acquisition and will require financing to advance the project.

On December 16, 2015, the Company announced that it planned to raise up to $100,000 through a non-brokered private placement that will include up to 1,176,500 units (the Dec-15 Units) at a price of $0.085 per Unit (the Offering) subject to TSX Venture Exchange approval. Each Dec-15 Unit will consist of one common share and one full share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.16 for a period of 24 months from the date of the issuance. There is no assurance that the Offering will be successful.

EXPLORATION PROPERTIES

Wings Point

Ownership

As of October 31, 2015, the Wings Point Project consisted of four mineral exploration licenses covering 126 claims (3,150 hectares) located in the Province of Newfoundland and Labrador in Canada. The Company's interests in the Project as of October 31, 2015 are summarized as follows:

Name	**Claims**	**Hectares**	**Ownership Interest**
Wings Point North	30	750	Direct
ZonteWPN Licenses	96	2,400	Direct
Total	126	3,150	

The Company acquired a 100% interest in the Wings Point North claims pursuant to an option agreement entered into in December 2010 and amended on October 8, 2013 and June 27, 2014 (the "Wings Point North Option"). The Wings Point North claims are covered by Newfoundland Exploration License 016270M which consists of 30 Mineral Exploration claims covering 750 hectares. Pursuant to the primary deal terms of the Wings Point North Option, the Company acquired a 100% interest in Wings Point North by:

- Making aggregate cash payments of $100,000;
- Issuing an aggregate of 1,600,000 common shares of the Company, of which 1,000,000 were issued on July 8, 2014 to complete the acquisition of the property under the terms of the June 27, 2014 property option amendment; and
- Granting a 3% Net Smelter Royalty ("NSR") on production from the Wings Point North Option, two-thirds of which can be bought back by the Company for two million dollars.

The Company has also staked and maintained an additional 96 claims covering 2,400 hectares, in surrounding and contiguous areas to Wings Point North (the "Zonte WPN Licenses") which are subject to the terms of the Wings Point North Option agreement. The Company reduced the size of the Zonte WPN Licenses from 326 claims to 96 claims during the year ended January 31, 2015 resulting in a $168,479 pro-rata write-off of the carrying cost of the Zonte WPN Licenses.

Pursuant to the Wings Point North Option agreement, if the Company is able to identify one million ounces of gold, in the Measured and Indicated categories of a NI 43-101report, within the Wings Point North and Zonte WPN Licenses, an additional 300,000 shares will be issued and $6,638 finders' fees will be paid and if the Company is able to identify two million ounces of gold, in the Measured and Indicated categories of a NI 43-101 report, within the Wings Point North and the Zonte WPN Licenses, an additional 400,000 shares will be issued and $8,850 finders' fees will be paid.

The Company had also staked and maintained an area of 58 claims covering 1,450 hectares under License 020030M (Zonte WP Licenses") which was not subject to the Wings Point North Option agreement. During the year ended January 31, 2015, the Company dropped the 58 claims covering the Zonte WP Licenses and wrote-off historic costs of $19,554.

During the year ended January 31, 2015, the Company terminated the Wings Point South Option agreement and wrote off expenditures of $40,470. Pursuant to an option agreement entered into in March 2011, the Company had held the right to acquire a 100% interest in Wings Point South, comprised of Newfoundland Exploration License 017995M which consisted of 18 Mineral Exploration claims covering 450 hectares, (the "Wings Point South Option"). The Wings Point South option agreement included the following fundamental deal terms:

- Making aggregate payments of $30,000 of which $22,500 had been paid and a payment of $7,500 was due in March 2014. Included in the payments of $22,500 was a payment of $7,500 that was due in March 2013 and was settled through the issuance of 100,002 shares subsequent to year end.
- Issuing an aggregate of 60,000 common shares of the Company, of which 45,000 had been issued.

Exploration Overview

The project's location benefits from excellent infrastructure and a ready labour force nearby. Access throughout the property is excellent with paved roads leading to it and logging roads throughout the remainder of the property.

The Company acquired the initial Wings Point title based on an initial sampling program that suggested the property could host bulk tonnage gold deposited in marine sediments. Gold was discovered in the 1980's when Noranda Exploration took a sample from an operating gravel pit which assayed 0.86 g/t gold. Noranda also discovered numerous gold showings through the geologic belt where the Wings Point project is located. Following Noranda's activities, numerous companies have explored this area, including Barrick Gold, who focused on a project approximately 40 - 50 km to the south, exploring for Carlin style gold. Most exploration programs through the last 25 years have focused on narrow high-grade gold targets, however, Zonte is re-examining this area for its bulk tonnage potential.

Since acquiring the project in mid-December 2010, Zonte has carried out a ground exploration programs; including induced polarization geophysical surveys over the main target area and surrounding licenses. To date, on the main Wings Point North license, three large targets have been delineated including two geophysical targets and a large soil anomaly target defined by high arsenic-in-soils which sits on the shoulder of a geophysical anomaly. In all three cases bedrock gold mineralization is coincident with the targets. The targets are large with the two smallest about 600 – 700 metres ('m") in length and 80 to 120 m in width, and the largest being 1200 m in length and 100 to 150 m in width. Additional geophysical anomalies outlying this license need additional follow-up, including infill geophysical surveys before any determination can be made on the targets being drill targets.

Exploration Property Expenditures

During YTD-16 the Company did not incur any expenditures on its Wings Point Project as summarized below.

	Wings Point Project **$**
Balance, January 31, 2015	474,857
Additions during the period	-
Write-off of exploration and evaluation assets	-
Balance, October 31, 2015	474,857

During YTD-15, the Company incurred expenditures of $75,771 on its Wings Point Project and wrote off $40,470 related to the termination of the Wings Point South Option Agreement as summarized below.

	Wings Point Project **$**
Balance, February 1, 2014	627,589
Additions during the period:	
Acquisition costs	75,751
Exploration support	21
	75,771
Write-off of exploration and evaluation assets	(40,470)
Balance, October 31, 2014	662,890

1.11 FUTURE ACCOUNTING CHANGES

The Company does not expect to early adopt the following revised standards and amendments. Accordingly, the Company expects to adopt these standards as set forth

i) IFRS 9, *Financial Instruments*

IFRS 9, *"Financial Instruments"* introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods.

Requirements for classification and measurement of financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was amended in November 2013 to: (i) include guidance on hedge accounting; (ii) allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in OCI, without having to adopt the remainder of IFRS 9; and (iii) remove the previous mandatory effective date for adoption of January 1, 2015, although the standard is available for early adoption.

The final version of IFRS 9 was issued in July 2014 and includes: (i) a third measurement category for financial assets – fair value though other comprehensive income; (ii) a single, forward-looking expected loss impairment model; and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of the new standard on its financial statements.

1.12 FINANCIAL INSTRUMENTS AND RISK FACTORS

Market risk

(i) Foreign exchange risk

The Company is not exposed to any material foreign exchange risk at this time.

(ii) Interest rate risk

The Company's accounts payable and accrued liabilities are non-interest bearing and have contractual maturities of 30 days or less. As at October 31, 2015, the Company's interest bearing assets are cash equivalents. The Company's cash equivalents are cashable Guaranteed Investment Certificates ("GICs") that earn interest at prevailing short-term interest rates and are reinvested as they mature. During YTD-16, the Company earned interest income of $516 (YTD-15 – $183). A plus or minus 1% change in interest rate would not have a material impact on the Company's statement of loss and comprehensive loss.

(iii) Price risk

The Company is not exposed to any direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenues.

Credit risk

Credit risk is the risk that a customer or third party to a financial instrument fails to meet its commercial obligations.

The carrying amount of financial assets represents the maximum credit exposure. The Company manages credit risk by holding the majority of its cash and cash equivalents with AA rated banks in Canada, where management believes the risk of loss to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to meet liabilities when due. As at October 31, 2015, the Company had cash and cash equivalents of $22,001 (January 31, 2015 - $100,161) available to settle current liabilities of $63,579 (January 31, 2015 - $31,251).

Fair value

The recorded value of the Company's financial assets and liabilities approximate their fair values due to their demand nature and their short term to maturity.

1.13 SHARE CAPITAL

a) Common Shares

The Company has authorized an unlimited number of common shares without par value.

At October 31 and December 22, 2015, the Company had issued and outstanding 25,120,779 common shares with a recorded value of $2,153,159.

b) Warrants

At October 31 and December 22, 2015, the Company had issued and outstanding a total of 1,586,268 warrants with an expiry date of July 9, 2016, and an exercise price of $0.10 and 24,320 broker warrants with an expiry date of January 9, 2014 and an exercise price of $0.10.

c) Stock Options

At October 31, 2015 the Company had 510,000 stock options outstanding, exercisable into common shares of the Company at an average exercise price of $0.10 per share and expiring in January 2018.

At December 22, 2015, the Company had 2,410,000 stock options outstanding, exercisable into common shares of the Company at an average exercise price of $0.08 per share and expiring

1.14 RISKS & UNCERTAINITIES

The following are certain factors relating to the business of the Company and are not the only risks and uncertainties facing the Company. Additional risk and uncertainties not currently known to the Company, or that the Company deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Company.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated in July 2009 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration and Development Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned exploration and development programs will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its exploration and development programs.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing Companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals.

Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors which may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, 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 exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company has limited financial resources and no revenues. If the Company's exploration program on its exploration properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

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

Requirement for Permits and Licenses

A substantial number of permits and licenses will be required to conduct an exploration and development program, such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

There have been no mineral reserve or mineral resource estimates prepared in respect of the Property to which the Company holds title. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

1.15 OTHER INFORMATION

Additional information regarding the Company is available on SEDAR at **www.sedar.com** and on the Company's website at **www.zontemetals.com.**