Introduction

Pinecrest Resources Ltd. and its subsidiary engage principally in the acquisition, advancement and development of precious mineral properties particularly its Enchi Gold Project in Ghana. Pinecrest Resources Ltd., the parent, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations* Act (British Columbia) on January 18, 2010. Pinecrest is a public company listed on the TSX Venture Exchange (the "Exchange") (TSX-V: PCR) and its head office is located at Suite 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

This interim Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of Pinecrest Resources Ltd. ("Pinecrest" or the "Company") for the period ended September 30, 2016. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company including the most recent Company filings can be located on SEDAR at www.sedar.com.

This MD&A is prepared as of November 10, 2016. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Forward Looking Statements and Risk Factors

This interim MD&A includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

For a detailed listing of the risk factors, please refer to the Company's annual MD&A for the year ended December 31, 2015.

Results of Operations

As at September 30, 2016, the Company had total assets of $13,834,398 (December 31, 2015 - $14,564,407), consisting primarily of short-term investment and exploration and evaluation assets.

For the three months ended September 30, 2016, the Company recorded a net loss of $35,091 or $0.00 loss per share compared to a net loss of $112,417 or $0.00 loss per share during the same period in the prior year.

During the three months ended September 30, 2016, the Company expensed $nil (2015 - $11,000) in consulting expense. During 2015, the Company hired several consultants for advisory services, corporate development services and financial services. The Company did not have any consultants during the current quarter.

Share-based compensation was $6,515 during the three months ended September 30, 2016 (2015 - $25,339). The higher expense during 2015 was due to the vested stock options granted to directors, officers, consultants, and employees on December 4, 2014. There were no stock options granted during the current quarter.

(Expressed in Canadian Dollars - Unaudited)

Minimal exploration activity was undertaken during the three months ended September 30, 2016. The Company spent $58,052 in exploration and evaluation costs during the current quarter.

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly financial statements for the preceding eight quarters.

	Revenue	Net loss	Loss per share
September 30, 2016	$ Nil	$ 35,091	$ 0.00
June 30, 2016	$ Nil	$ 69,250	$ 0.00
March 31, 2016	$ Nil	$ 85,830	$ 0.00
December 31, 2015	$ Nil	$ 97,191	$ 0.00
September 30, 2015*	$ Nil	$ 112,417	$ 0.00
June 30, 2015*	$ Nil	$ 200,215	$ 0.00
March 31, 2015*	$ Nil	$ 215,671	$ 0.01
December 31, 2014	$ Nil	$ 43,316	$ 0.01

*The significant net loss incurred during the quarter was mainly due to the Company's increased activity post the acquisition of the Enchi Gold Project from Edgewater Exploration Ltd. (December 2014) and stock options that vested during the period.

Liquidity and Capital Resources

The Company currently has no operating revenues and relies primarily on equity financing. As at September 30, 2016, the Company had a working capital of $1,193,410. The Company's only source of funding has been the issuance of equity securities for cash. Management believes it will be able to raise equity capital as required, but recognize there will be risks involved that may be beyond their control. The Company has no outstanding debt facility upon which to draw.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Trading transactions

The Company shares office space and administration costs with related parties in order to minimize operational costs. During the period ending September 30, 2016, the Company paid or accrued $31,811 (2015 - $43,582) for office rent to Edgewater Exploration Ltd. and Newmarket Gold Inc., companies with directors and officers in common.

All related party transactions were recorded at the amount agreed upon by the related parties. There are no ongoing contractual or other commitments resulting from the above transactions.

(Expressed in Canadian Dollars - Unaudited)

Compensation of key management personnel

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel during the period was as follows:

Related Party	Relationship		September 30, 2016		September 30, 2015
Quarry Capital Corp.	Director	$	-	$	21,000
Gladstone Capital Ltd.	President	$	-	$	49,000
Spartan Consulting Inc.	Chief Executive Officer	$	-	$	24,000
Pacific Court Capital Corp.	Chief Financial Officer	$	27,000	$	43,000
Sail View Capital Ltd.	Director	$	27,000	$	43,000
Gregory Smith	VP - Exploration	$	-	$	30,800

Management consulting agreements are on a month-to-month basis and can be terminated by either party with ninety days' notice. Share-based payments to key management personnel of the Company amounted to $68,698 during the period ending September 30, 2016 (2015 - $242,442). Key management remuneration is reflected in the financial statements as follows:

		September 30, 2016		September 30, 2015
Management fees	$	54,000	$	159,000
Geological	$	-	$	30,800
Share-based compensation	$	68,698	$	242,442
Consulting		-	$	21,000
Total	$	122,698	$	453,242
Expensed in:				
General and administrative	$	79,629	$	245,407
Capitalized in:				
Exploration and evaluation assets	$	43,069	$	207,835
Total	$	122,698	$	453,242

Proposed Transactions

None.

Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in the Note 2 of the Company's 2015 audited consolidated financial statements. Certain requirements for annual years beginning on or after January 1, 2016 have not yet been early adopted and the Company is currently assessing the impact of adoption.

Critical accounting estimates remain the same as disclosed in the 2015 audited annual consolidated financial statements.

Financial Instruments and Other Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist of cash, short-term investment, GST and other receivables, trade and other payables, and provision for bonus payment. Cash and short-term investment are classified as loans and receivable recognized initially at fair value. Subsequent to initial recognition, it is measured at amortized cost using the effective interest method, less any impairment losses.

GST and other receivables and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity or capacity of prompt liquidation. The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks is relatively low. Cash and short-term investment are held through a large national financial institution. Note 7 of the Company's condensed interim consolidated financial statements for the period ended September 30, 2016 contain additional disclosures on the Company's financial instruments.

Outstanding Share Capital

The following describes the outstanding share data of the Company as at November 10, 2016. Note 5 of the Company's condensed interim consolidated financial statements for the period ended September 30, 2016 contain additional information on the Company's share capital.

	Number Outstanding
Common shares	54,916,547
Options to purchase common shares	6,027,500
Warrants to purchase common shares	23,378,570