Northcliff Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016

TABLE OF CONTENTS

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Northcliff Resources Ltd. ("Northcliff" or the "Company") for the three months ended January 31, 2016, the audited consolidated financial statements for the year ended October 31, 2015, and related MD&A as publicly filed on SEDAR at www.sedar.com.

The Company reports in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee (together known as "IFRS"). The following disclosure and associated financial statements are presented in accordance with IFRS. All monetary amounts herein are expressed in Canadian Dollars ("CAD") unless stated otherwise.

This MD&A is prepared as of March 10, 2016.

Cautionary Note Regarding Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements" or "forward-looking information" within the meaning of Canadian and United States securities law.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. The assumptions used by Northcliff to develop forward-looking statements include the following: the Sisson Project will obtain all interim and construction financing required to advance to construction, build and operate the mine, the Sisson Project will receive all required environmental and other permits for construction of the mine, the Sisson Project will achieve targeted production levels; study and development of the Sisson Project will continue to be positive; contracted parties provide goods and/or services on the agreed timeframes; equipment necessary for construction and development is available and does not incur unforeseen breakdowns; no material labour slowdowns or strikes are incurred; plant and equipment functions as specified; geological or financial parameters do not necessitate future mine plan changes; our expectations of continued availability of capital and debt financing, and no geological or technical problems occur. The factors include but are not limited to uncertainties and costs related to the Company's exploration and development activities, such as those associated with determining whether mineral resources or reserves exist on a property; uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project; uncertainties related to expected production rates, timing of production and the cash and total costs of production and milling; uncertainties related to the ability to obtain necessary licenses, permits, electricity, surface rights and title for development projects; operating and technical difficulties in connection with mining development activities; uncertainties related to the accuracy of our mineral reserve and mineral resource estimates and our estimates of future production and future cash and total costs of production, and the geotechnical or hydrogeological nature of ore deposits, and diminishing quantities or grades of mineral reserves; uncertainties related to unexpected judicial or regulatory proceedings; changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations and mine closures; expected effective future tax rates in jurisdictions in which our operations are located; the protection of the health and safety of mine workers; mineral rights ownership in countries where our mineral deposits are located; changes in general economic conditions, the financial markets and in the demand and market price for tungsten, molybdenum and other minerals and commodities, such as diesel fuel, coal, petroleum coke, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. Dollar and Canadian Dollar; unusual or unexpected formation, cave-ins, flooding, pressures, and precious metals losses, or other similar events (and the risk of inadequate insurance or inability to obtain insurance to cover these risks); changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; the exploration and development of properties located within First Nations treaty and Aboriginal groups asserted territories may affect or be perceived to affect treaty and asserted aboriginal rights and title, which may cause permitting delays or opposition by Aboriginal groups or communities, environmental issues and liabilities associated with mining including processing and stock piling ore; geopolitical uncertainty and political and economic instability in countries which we operate; and labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mineral projects or mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines. Forward-looking statements are generally, but not always, identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “projects”, “potential”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur” or “be achieved”.

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it. For more information on the Company, investors should review the Company’s annual information form that is available on SEDAR at www.sedar.com.

Cautionary Note to U.S. Investors Concerning Reserve Estimates

The mineral reserves disclosed in this management discussion and analysis have been estimated in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”), as required by Canadian securities regulatory authorities. The Company is not subject to the reporting requirements of section 13(a) of section 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”). However, the Company’s U.S. investors are cautioned that SEC Industry Guide 7 under the Exchange Act, as interpreted by Staff of the SEC, applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserve estimates contained in this discussion may not qualify as “reserves” under SEC standards. In addition, disclosure of “contained ounces” is permitted disclosure under Canadian regulations; however, the SEC only permits Exchange Act reporting companies to report reserves in ounces, and requires reporting of mineralization that does not qualify as reserves as in place tonnage and grade without reference to unit measures.

1.2 Overview

For the purposes of the discussion below, references to the quarters are in relation to the Company's fiscal reporting period, unless otherwise indicated.

Northcliff is a mineral exploration and development company focused on advancing the Sisson Tungsten-Molybdenum Project (the "Sisson Project" or the "Project") in New Brunswick, Canada to production. Northcliff holds an 88.5% interest in the Sisson Limited Partnership (the "Sisson Partnership") that owns the Sisson Project.

The Sisson Project is an initiative to develop a 30,000 tonne per day ("tpd") open pit mine and processing facilities that are forecast to produce 557,000 metric tonne units ("mtu") of tungsten trioxide ("WO_3") and 4.1 million pounds ("M lb") molybdenum ("Mo") annually over a 27-year mine life[1].

The Project is currently progressing through an environmental impact assessment ("EIA") process, which is harmonized between the governments of Canada and New Brunswick. On December 3, 2015, a positive Certificate of Determination for the Sisson Project was received from the Government of New Brunswick.

An EIA decision from the Government of Canada is pending. The next step after EIA approvals would be applications for permits, secure offtake agreements and project finance in order to commence construction of the Project.

Northcliff has conducted an extensive and ongoing engagement program with representatives of government agencies, local communities, First Nations and other project stakeholders in New Brunswick since early in its involvement with the Project. The Sisson team continues to provide information to interested parties and receive input about project activities and plans.

The Company's focus in 2016 is to preserve its cash resources, advance successfully through the CEAA process and to secure construction permits. Although site activities will be limited until this process is complete in order to preserve cash, environmental monitoring and consultation activities continue. The management team also continues discussions with identified off-take companies and parties that could provide interim and project construction financing.

1.2.1 Sisson Tungsten-Molybdenum Project

The 18,880-hectare Sisson property is located approximately 100 kilometres by road northwest of the City of Fredericton, which is a centre for business, education and government services in the

[1] Further details are provided under Engineering Studies, Section 1.2.1 below.

Province of New Brunswick. New Brunswick is a progressive mining jurisdiction, with a skilled workforce and well-developed infrastructure.

Situated in an area of rolling topography, the Sisson Project area is readily accessible by highway from Fredericton and parts of the site are accessible by numerous secondary and forestry roads. High-tension power lines from the provincial electrical grid cross the property. A rail line and siding are located 15 kilometres east of the deposit. The property is connected to deep sea ports at Saint John to the south and Belledune to the north by the rail line and by road.

Northcliff acquired a controlling interest in the Sisson Project in October 2010 and initiated studies to support completion of a feasibility study. The Company acquired the remaining minority interest in June 2012 and became 100% owner of the Project. In October 2013, Northcliff transferred its mineral property interest in the Sisson Project into the Sisson Partnership and, pursuant to the Sisson Project Limited Partnership Agreement, its economic interest in the Sisson Project was reduced to 88.5% (see 1.2.2 Financing).

Geology

The Sisson Project hosts a structurally-controlled deposit that obliquely spans a north-trending, nearly vertical contact between two phases of the Howard Peak Granodiorite to the west and metavolcanic and metasedimentary rocks to the east. Tungsten and molybdenum mineralization occurs mainly as scheelite and molybdenite, respectively, within narrow, sheeted, northwest-trending quartz-sulphide veins which surround larger, north-trending shear veins.

Feasibility and Basic Engineering Studies

The Feasibility Study[2] for the Sisson Project was completed in early 2013 by Samuel Engineering, Inc., with input from other specialist engineering firms. The study defines the Sisson Project as a 30,000 tpd open pit mine and conventional ore processing facilities that are supplemented by value-added on-site processing of tungsten concentrates in an ammonium paratungstate ("APT") plant, producing an average of 557,000 mtu WO_3 in APT and 4.1 M lb Mo in concentrate annually over a 27-year mine life. The study anticipates an initial capital expenditure (including 15% contingency) of \$579 million and average cash costs of APT production of \$8.18/t milled or \$153/mtu (net of Mo

[2] The 2013 Feasibility Study and Technical Report:

- Assumptions used include average long-term metal prices of US\$350/mtu for APT and US\$15/lb for Mo and US\$:\$C exchange rates of 1:1 for capital cost estimates, and 0.98-0.92:1 (years 1-4) and 0.90:1 (year 5+) for the financial analysis. Results presented are based on a 100% interest.
- At an US\$8.83/t NSR cut-off, Proven and Probable Mineral Reserves are 334,363,000 tonnes grading 0.066% WO_3 and 0.021% Mo.
- Further details are provided in the Technical Report and in the Company's 2015 AIF which are filed at www.sedar.

Independent Qualified Persons for the Technical Report, effective date January 22, 2013 are David W. Rennie, PEng, Roscoe Postle Associates, Inc., Jim Gray, PEng, Moose Mountain Technical Services, Daniel Freidman, PEng, Knight Piesold Consulting, Matt Bolu, PEng, Bolu Consulting Engineering, Inc., Gene Greskovich, PE, and Steven Pozder, PE, Samuel Engineering, Inc.

credits). Economic results included a post-tax net present value (at an 8% discount) of $418 million with an internal rate of return of 16.3% and a 4.5 year payback.

From 2013-2015, Northcliff and its consultants advanced basic engineering studies, including the plant site and associated infrastructure, tailings storage facility and water management systems, open pit mine and water treatment facilities. In addition, in 2015 NB Power completed a program along the proposed route and refined the design for a 138 kV transmission line.

Basic engineering will resume pending EIA approvals, improved market conditions, and availability of funding.

Environmental Studies

Since 2011, Northcliff has undertaken studies of air quality, acoustics, surface and groundwater resources, environmental geochemistry, terrestrial and aquatic habitats, fish and wildlife, wetlands, land and resource uses, heritage resources, socio-economics, and traditional Aboriginal land uses. The information from these studies has been used for project planning and design and to prepare the environmental impact assessment report ("EIA Report"), and it will also provide baseline data for monitoring during construction and operation.

In response to feedback from First Nations and government, archeological test pitting was undertaken from 2012-2015. This program included 5,050 test pits completed by the Province in 2015, bringing the total on the Project site to about 7,100. All test pitting is now complete. The program determined that only two small areas require mitigation (controlled excavation) prior to start of construction in those areas.

Environmental Assessment Process

The draft EIA Report was submitted to the Canadian Environmental Assessment Agency ("CEAA") and New Brunswick Department of Environment and Local Government ("NBDELG") on July 31, 2013. CEAA posted the draft EIA Report to its website on August 30, 2013 for review by the public and First Nations, and it was also reviewed by federal and provincial government agencies. From November 2013 to December 2014, Northcliff responded to numerous rounds of information requests related to the EIA Report from both governments, the public and First Nations. A Comprehensive Study Report is being prepared by CEAA for public review.

The provincial review of the draft EIA Report was completed in March 2015, and the Final EIA Report was the subject of a 90-day public consultation period completed on July 17, 2015. A positive Certificate of Determination was received from the Provincial Government on December 3, 2015. The review concluded that the mitigating measures identified during the process, along with 40 conditions outlined in the approval, will mitigate all potentially significant adverse environmental impacts.

Completion of the CEAA process and decision from the federal government decision is pending.

In parallel with the EIA review, key project permit applications for authorizations under the Fisheries Act and amendment of Schedule 2 of the *Metal Mining Effluent Regulations* to list the Sisson Project TSF have been initiated, both of which involved First Nations consultation. Applications for a mining lease from the Province under the *Mining Act* are progressing. As well, application for a Crown Lease has been initiated.

The Company provided funding and in-kind support to New Brunswick First Nations to assist in their participation throughout the EIA process, including retention of expert consultant advice to facilitate their technical review of the EIA Report. First Nations of New Brunswick have also received capacity funding under CEAA's Participant Funding Program and funding from the New Brunswick and Federal governments during the EIA process.

Community and Stakeholder Engagement

Public, stakeholder and First Nations engagement continues to be a central focus of the Sisson Partnership's activities in New Brunswick. Consistent with its commitment to responsible mineral development, the Sisson Partnership intends to continue outreach through all stages of development, operation and closure. Public outreach to date has included numerous public open houses, project and Company websites, regular newsletters, community focus groups and community giving.

Northcliff has signed a Process Agreement (the "PA") with the Woodstock First Nation, one of six Maliseet Nation communities in New Brunswick. The Sisson Project is located within what is understood to be Maliseet traditional territory. The "PA" provides a framework to negotiate a Cooperation Agreement (commonly referred to as an Impact and Benefits Agreement) and to work together on community consultation efforts. Negotiations towards a Cooperation Agreement are continuing.

The Sisson Partnership is also continuing engagement activities with the other New Brunswick First Nations through regular communications, a First Nation-government-Sisson Partnership EIA working group and other activities as determined in consultation between the Sisson Partnership, First Nations and government.

1.2.2 Financing

In October 2013, Northcliff entered into an agreement with Todd Minerals Ltd., a subsidiary of the Todd Corporation (together referred to herein as the "Todd Group"), whereby the Todd Group completed a private placement of $5 million and acquired 13,888,889 common shares of Northcliff, becoming the largest shareholder of the Company with an approximate 15% interest in Northcliff.

Northcliff and the Todd Group also entered into the Sisson Project Limited Partnership agreement whereby the Todd Group acquired an initial 11.5% interest in the Sisson Partnership for an initial contribution of $14 million in the Sisson Project, which was received on a staged basis during the period of October 2013 to October 2014. Moving forward, the Sisson Project development cost may be funded by the partners in proportion to their respective ownership interest in the Sisson Partnership.

The Todd Group has the option to earn an additional 10% interest in the Sisson Partnership by investing $20 million in the Sisson Partnership at any time up to a final investment decision to commence construction.

In May 2015, Northcliff completed a $2.7 million non-brokered private placement financing in which Todd Corporation ("Todd") participated and acquired an additional 7,380,000 common shares. Todd now holds 19.99% interest in Northcliff.

On January 14, 2016, Northcliff entered into a $500,000 Loan Agreement (the "Loan") with a non-arm's length director of the Company (the "Lender"). The Loan is unsecured, will bear interest at a rate of 10% per annum and is repayable after twelve months or earlier on the occurrence of a default. In connection with the Loan, Northcliff agreed to issue to the Lender a loan bonus in the form of 2,000,000 warrants, each entitling the holder to acquire one common share of Northcliff for two years at a price of $0.095 per share.

On March 14, 2016, the Company issued 2,000,000 share purchase warrants to the Lender pursuant to the Loan agreement and 399,769 share purchase warrants to the Todd Group, pursuant to their pre-emptive right to maintain their shareholding at 19.9%. The warrants issued on March 14, 2016 entitle the holders to acquire one common share of the Company at a price of $0.095 per share for a two year term. In addition, the warrants issued to the Todd Group are only exercisable to the extent shares are issued to the Lender.

1.2.3 Market Trends

The information in the Market Trends section is based on calendar years.

China continues to produce more than 80% of global tungsten supply and holds the largest global reserves of tungsten. As the world's largest single consumer of tungsten, China has reduced its tungsten exports through several means, most notably through export quotas, in order to focus its supply on meeting domestic needs. In response to a World Trade Organization ("WTO") ruling in 2014, these levies were abolished effective May 1, 2015 and replaced with a 6.5 percent resource tax charged in China on the value of concentrate processed from mining ores.

Tungsten is commonly quoted as the intermediary product called APT, which is priced in US$ per mtu (an mtu represents 10 kilograms of WO_3).

The average annual price of APT increased from US$237/mtu in 2010 to US$428/mtu in 2011. Following a period of variable prices from 2012 to the latter part of 2014, prices have decreased.

Molybdenum prices increased in 2010 and 2011, and averaged lower in 2012 and 2013. Prices trended upward in the first half of 2014, peaking at US$14.74/lb but have, largely, decreased since that time due to an increase in supply.

Average annual tungsten and molybdenum prices over the past five years, as well as the average of prices to date in 2016, are tabulated below.

Year	Average APT Price (US$/mtu)	Average Mo Price (US$/lb)
2011	428	15.44
2012	385	12.81
2013	370	10.40
2014	344	11.59
2015	234	6.73
2016 (to the date of this MD&A)	177	5.47

Source: www.metalprices.com

1.3 Selected Annual Information

Not applicable

1.4 Summary of Quarterly Results

Amounts are expressed in thousands of Canadian Dollars, except per share amounts. Minor differences are due to rounding.

	Jan 31 2016	Oct 31 2015	Jul 31 2015	Apr 30 2015	Jan 31 2015	Oct 31 2014	July 31 2014	Apr 30 2014
G&A	$ 379	$ 372	$ 520	$ 609	$ 656	$ 921	$ 1,104	$ 894
Share-based payments	68	59	16	19	45	54	138	155
Tax credit received	–	–	–	–	–	–	(166)	–
Loss from operations	(447)	(431)	(536)	(628)	(701)	(975)	(1,076)	(1,049)
Other items(i)	(1)	4	(1)	7	13	7	20	14
Net loss	$ (448)	$ (427)	$(537)	$(621)	$ (688)	$ (968)	$ (1,056)	$(1,035)
Total loss attributable to shareholders of the Company	$ (428)	$ (402)	$(510)	$(583)	$ (647)	$(886)	$ (958)	$(973)
Basic and diluted Loss per share attributable to shareholders of the Company	$ –	$ –	$(0.01)	$ –	$ (0.01)	$ (0.01)	$ (0.01)	$(0.01)
Weighted average number of common shares	106,406	106,406	101,846	91,288	91,288	91,288	91,288	91,288

(i) Other items include finance expenses and income

Subsequent to receiving financing from the Todd Group during October 2013, the Company began capitalizing costs relating to the development of the Sisson Project, and as a result, no longer recognized exploration and evaluation costs for the project. The credit received during the July 2014 quarter relates to a refundable provincial investment tax credit for expenditures qualifying as scientific research and experimental development that were incurred during the 2011 fiscal year.

Administrative costs generally follow the trend and activity for mineral development and project advancement of the Sisson Project. During the July 2014 quarter, there was significant activity involved with obtaining financing for the Company, including obtaining services from the Project's financial advisor (Societe Generale) on initial project debt and equity financing options. Since the July 2014 quarter, the decline in administrative costs has been consistent with overall project spending on engineering costs and costs associated with the submission of the EIA in November 2014.

Expenses for equity-settled share-based payments typically fluctuate based on the timing of share purchase option grants and the vesting periods associated with these grants. The fair value of share purchase options is determined at the grant date and the compensation expense for each tranche is recognized over the period during which the share purchase options vest. The trend in share-based payments represents amortization of the fair value of share purchase options granted to directors, officers and employees based on the vesting period of the options. The increase during the April 2014 quarter relates to stock options that were granted to employees and management in early January 2014. Options were also granted to employees and management in August 2015 and January

2016, which is reflected in the increase in equity-settled share-based payments expense during the October 2015 quarter and January 2016 quarter.

1.5 Results of Operations

The following financial data is expressed in Canadian Dollars unless otherwise stated.

The Company's operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits and regulatory approvals, completion of feasibility and engineering studies, preparation of engineering designs, commencement of mine construction and production and receipt of financing to fund these objectives.

Results for the Three Months Ended January 31, 2016 vs. 2015

(a) Net loss

During the three months ended January 31, 2016, the Company recorded a net loss of $448,000 compared to a net loss of $688,000 during the three months ended on January 31, 2015. Of the current quarter's net loss, $428,000 was attributable to shareholders of the Company compared to $646,000 during the same period of prior year. The decrease in net loss is mainly due to lower administration costs commensurate with the decline in project related activities.

The analysis herein is based on total expenditures, including amounts attributable to non-controlling interests.

(b) General and administration expenses

The Company incurred general and administration expenses of $379,000 during the current quarter compared to $656,000 during the same quarter of prior year. During the prior period, there was significant activity relating to project financing matters, as well as meetings with government agencies, stakeholders and First Nations. During the current quarter, the reduction in general and administration expenses was in line with the reduction in overall operating activities as discussed herein.

(c) Equity-settled share-based payments expense

During the current quarter, expenses for equity-settled share-based payments increased to $68,000 compared to $45,000 during the prior period. The increase relates mainly to the fair value amortization of the Company's share purchase options granted in the last quarter of fiscal year 2015 as well as in the current quarter.

Financial position as at January 31, 2016 vs. October 31, 2015

The Company's total assets at January 31, 2016 were approximately equal to its total assets at October 31, 2015.

Deferred mineral development costs incurred during the period were as follows:

	For the three months ended January 31	
	2016	2015
Engineering and design	$ 133,967	$ 505,736
Environmental and permitting	17,284	289,615
Stakeholder communications	76,054	156,736
Total	$ 227,305	$ 952,087

1.6 Liquidity

At January 31, 2016, the Company had cash and cash equivalents of $1.0 million (October 31, 2015 – $1.1 million) and working capital of approximately $0.2 million (October 31, 2015 – $0.8 million). Approximately $0.2 million (October 31, 2015 – $0.7 million) of the cash balance as at January 31, 2016 was held by the Sisson Partnership.

The financing received from the May 2015 private placement and the Todd Group to date have allowed the Company to continue engineering studies, support the EIA process, prepare permitting applications, pursue project finance interest, advance offtake interest in the products, as well as fund the Company's ongoing administrative and stewardship expenses. In January 2016, the Company received a $500,000 loan from one of its directors to fund working capital requirements (1.2.2 Financing).

Further advancement and development of the Sisson Project will require additional funding from a combination of the Company's shareholders, the Sisson Partnership's existing or potential new partners, alternative capital providers, and debt financing. As the Sisson Project is currently in the development stage, the Sisson Partnership does not have any revenues from operations, except for interest income from its cash and cash equivalents. Therefore, the Sisson Partnership relies on funding from its partners for its continuing financial liquidity and the Company will rely on alternative capital providers, and debt financing. The Company's and the Partnership's plans for 2016 is centered on cash preservation, obtaining new sources of financing and advancing the permitting process at the Sisson Project.

The Company and the Sisson Project do not have any material capital lease obligations, purchase obligations or any other long-term obligations.

1.7 Capital Resources

The Company's current capital resources consist of its cash reserves. To date, the Company's main source of funding has been through the issuance of equity securities for cash, primarily through private placements to investors and institutions, through the cash contributions made to the Sisson Partnership by the Todd Group and debt. The Company's access to development and project financing is always uncertain. There can be no assurance of continued access to significant equity, debt or alternative sources of funding to finance the Company's ongoing operations.

Except as discussed herein, the Company has no lines of credit or other sources of financing which have been arranged but are as yet unused. There were no externally imposed capital requirements to which the Company is subject to and with which the Company has not complied.

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Key Management Personnel

This disclosure is provided in note 8 of the Company's unaudited condensed consolidated interim financial statements as at and for the three months ended January 31, 2016, which are publicly filed on SEDAR at www.sedar.com.

Hunter Dickinson Inc.

Description of the Relationship

Hunter Dickinson Inc. ("HDI") and its wholly-owned subsidiary, Hunter Dickinson Services Inc. ("HDSI"), are private companies established by a group of mining professionals engaged in advancing mineral properties for a number of publicly-listed exploration companies, one of which is the Company.

The following directors or officers of the Company also have a role within HDSI:

Individual	Role within the Company	Role within HDSI
Marchand Snyman	Director, Chairman	Director
Robert Dickinson	Director	Director
Scott Cousens	Director	Director
Christopher Zahovskis	Director, President, Chief Executive Officer	Employee
Bryce Hamming	Chief Financial Officer	Employee
Trevor Thomas	Corporate Secretary	General counsel

Business Purpose of the Related Party Transactions

HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on an as-needed and as-requested basis from the Company.

HDSI also incurs third party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and technology services.

As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time employees or experts. The Company benefits from the economies of scale created by HDSI which itself serves several clients.

Measurement Basis Used

The Company procures services from HDSI pursuant to an agreement dated July 2, 2010. Services from HDSI are provided on a non-exclusive basis as required and as requested by the Company. The Company is not obligated to acquire any minimum amount of services from HDSI. The fees for services from HDSI are determined based on a charge-out rate for each employee performing the service and for the time spent by the employee. Such charge-out rates are agreed and set annually in advance.

Third party costs are billed at cost, without markup.

Ongoing Contractual or Other Commitments Resulting from the Related Party Relationship

There are no ongoing contractual or other commitments resulting from the Company's transactions with HDSI, other than the payment for services already rendered and billed. The agreement may be terminated upon 60 days' notice by either of the Company or HDSI.

Transactions with and balance due to/from HDSI

This disclosure is provided in note 8 of the Company's unaudited condensed consolidated interim financial statements as at and for the three months ended January 31, 2016, which are publicly filed on SEDAR at www.sedar.com.

1.10 Fourth Quarter

Not applicable for the interim MD&A.

1.11 Proposed Transactions

There are no proposed assets or business acquisitions or dispositions, other than those in the ordinary course of business.

1.12 Critical Accounting Estimates

The required disclosure is provided in note 2(c) of the Company's unaudited condensed consolidated interim financial statements as at and for the three months ended January 31, 2016, which are publicly filed on SEDAR at www.sedar.com.

1.13 Changes in Accounting Policies Including Initial Adoption

The required disclosure is provided in note 2(e) of the Company's unaudited condensed consolidated interim financial statements as at and for the three months ended January 31, 2016, which are publicly filed on SEDAR at www.sedar.com.

1.14 Financial Instruments and Other Instruments

The required disclosure is provided in note 15 of the Company's audited consolidated financial statements as at and for the year ended October 31, 2015, which are publicly filed on SEDAR at www.sedar.com. The Company's use of financial instruments and related risks have not significantly changed since October 31, 2015. The Company's liquidity position has been analyzed in section 1.6 *Liquidity* above.

1.14.1 Disclosure of Outstanding Share Data

The following details the share capital structure as at the date of this MD&A:

	Number
Common shares	106,405,781
Share purchase options	8,327,600
Warrants	2,399,769

1.14.2 Internal Controls over Financial Reporting and Disclosure Controls

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, so that decisions can be made about the timely disclosure of that information.

Internal Controls over Financial Reporting Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

There has been no change in the design of the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this Management's Discussion and Analysis.

Limitations of Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that any system of disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

1.15 Risk Factors

The required disclosure is provided in the "Risk Factors" section of the Company's Annual Information Form ("AIF") for the year ended October 31, 2015. Management has not identified any additional risk factors other than the disclosure provided in the AIF.