

KAIROS CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for Kairos Capital Corporation is a review of the three and nine months ended September 30, 2016 and 2015 and should be read in conjunction with the condensed interim consolidated financial statements for the same periods and with the audited consolidated financial statements for the years ended December 31, 2015 and 2014. This MD&A addresses events up to November 22, 2016.

The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS").

Certain information presented in the MD&A constitutes forward looking information that is subject to substantial risks and uncertainties. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to describe these forward-looking statements. By their nature, forward-looking statements necessarily involve risks associated with the provision of services such as loss of market, lack of qualified personnel, impact of the regulatory environment, and competition from other companies providing similar services. Readers are cautioned that the assumptions used in the preparation of forward-looking information and statements, although considered reasonable at the time may prove to be imprecise. As such, undue reliance should not be placed on forward-looking statements. A number of factors, many of which are beyond the control of Kairos, may affect the actual performance of Kairos and actual results may differ from those expressed or implied by such forward looking information. Accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will occur, or if they do occur, what benefit Kairos will derive from them. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF BUSINESS

Kairos Capital Corporation (the "Corporation" or "Kairos") was incorporated by a Certificate of Incorporation pursuant to the provisions of the Business Corporations Act (*Alberta*) on October 18, 2010. Kairos completed its Qualifying Transaction on May 21, 2013 by acquiring certain Chilean mining properties - see the section, **Mineral Properties - Exploration and Evaluation Expenditures**.

The Corporation's principal business is the acquisition and development of mining properties in Chile and its common shares trade on the TSX Venture Exchange under the symbol "KRS".

The Corporation must secure sufficient funding to fund future operations in the mining business. At September 30, 2016 the Corporation owed \$282,257 to a director. Subsequent to the period, this director advanced an additional \$40,000. This director may be required to fund future advances for operations, therefore, the Corporation will require the continued support and forbearance from this director.

Management will seek additional forms of financing through the issuance of new equity or debt instruments to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without such funding being available, the Corporation may not be able to continue its operations, and the amounts realizable for the assets could be less than the amounts reflected in these consolidated financial statements.

SELECTED FINANCIAL INFORMATION

The following summarizes information derived from the Company's consolidated financial statements as at and for the three and nine months ended September 30, 2016 and 2015

	Three Months Ended and as at September 30,		Nine months Ended and as at September 30,	
	2016	2015	2016	2015
Net loss	\$ 9,364	\$ 14,737	\$ 34,880	\$ 43,233
Basic and diluted loss per share	\$ 0.000	\$ (0.000)	\$ 0.001	\$ (0.001)
Total assets	\$ 1,664,897	\$ 1,494,908	\$ 1,664,897	\$ 1,494,908
Share capital	\$ 2,044,686	\$ 2,044,686	\$ 2,044,686	\$ 2,044,686
Number of common shares outstanding	68,750,000	68,750,000	68,750,000	68,750,000

OPERATIONAL REVIEW**Net Income and Cash Flow from Operations**

A net loss of \$34,880 (\$0.001 loss per share) resulted for the nine months ended September 30, 2016 as compared to a net loss of \$43,233 (\$0.001 loss per share) for the nine months ended September 30, 2015. The net loss is comprised of general and administrative expenses and is comparable period over period.

General and Administrative

General and administrative expense ("G&A") for the nine months ended September 30, 2016 decreased to \$34,880 from \$43,233 for the nine months ended September 30, 2015. G&A is comprised of the following:

	Nine Months Ended September 30,	
	2016	2015
Regulatory fees	\$ 12,272	\$ 17,608
Professional fees	12,572	6,980
Accounting & administrative fees	7,500	7,500
Office	2,537	7,005
Rent	-	4,140
	\$ 34,880	\$ 43,233

Additional Information

Capitalized exploration and evaluation expenditures for the nine months ended September 30, 2016 were \$182,874 (2015 - \$266,447).

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2016 the Corporation had a had a working capital deficiency of \$308,792 (2015 - \$106,690). All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Subsequent to September 30, 2016 a director advanced \$85,100. Additional funds will be required to meet ongoing obligations.

Mineral Properties - Exploration and Evaluation Expenditures

Costs related to undeveloped mineral properties consist of the following at September 30, 2016:

	As at	September 30, 2016	December 31, 2015
Lease acquisition	\$	602,831	\$ 602,831
Exploration activities		1,057,879	875,005
	\$	1,660,710	\$ 1,477,836

SHARE CAPITAL**(a) Issued**

During the year ended December 31, 2015 the Corporation closed a private placement involving the issuance of 50,000,000 common shares which were issued at a price of \$0.01 per share for total gross proceeds of \$500,000.

	#	\$
Balance December 31, 2014	18,750,000	1,544,686
Issued for cash	50,000,000	500,000
Balance December 31, 2015 and September 30, 2016	68,750,000	2,044,686

At the date of this report there are 68,750,000 common share outstanding.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

(b) Outstanding Stock Options

A summary of the stock option plan at September 30, 2016 and December 31, 2015 and changes during the periods then ended is as follows:

	September 30, 2016		December 31, 2015	
	# of Stock Options	Weighted Average Price	# of Stock Options	Weighted Average Price
Balance, beginning of period	1,025,000	\$ 0.10	1,225,000	\$ 0.10
Forfeited	-	\$ 0.10	(200,000)	\$ 0.10
Balance, end of year	1,025,000	\$ 0.10	1,025,000	\$ 0.10

A summary of the stock options outstanding is as follows:

As at September 30, 2016				As at December 31, 2015			
Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date	Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
525,000	\$0.10	4.4	Feb18, 2021	525,000	\$0.10	5.1	Feb18, 2021
500,000	\$0.10	2.1	Nov 1, 2018	500,000	\$0.10	2.8	Nov 1, 2018
1,025,000		3.3		1,025,000		4.0	

(c) Escrow

Pursuant to an escrow agreement dated as of October 22, 2010 among the Corporation, Olympia Trust Company and certain shareholders of the Corporation, 4,000,000 of the issued and outstanding Common Shares were deposited in escrow. As at September 30, 2016, nil (2015 – 1,200,000) common shares were held in escrow.

RELATED PARTY TRANSACTIONS

- (a) During the nine months ended September 30, 2016 and 2015, the Corporation incurred the following expenses, payable to companies with a common officer or director:

Nine months ended September 30,	2016	2015
Administrative consulting services from a company controlled by an officer	\$ 7,500	\$ 7,500
Consulting services provided by an officer, included in Mineral Properties on the Statements of Financial Position (2016 - US\$1,500; 2015 - US\$69,375)	\$ 1,980	\$ 88,631
Interest payable to a director	\$ 2,411	\$ 5,310

The above transactions were in the normal course of operations and were recorded at fair value.

- (b) At the end of the period, the amounts due to related parties were as follows:

As at September 30,	2016	2015
Due to a director – unsecured, due on demand and bearing interest at 2% per annum	\$ 192,419	\$ 1,813
Due to an officer for administrative consulting services	\$ 17,500	\$ 5,000
Due to an officer for consulting services - included in trade and other payables (2016 – US\$nil; 2015 – US\$15,375)	\$ -	\$ 19,850

SELECTED QUARTERLY INFORMATION

Period Ended	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
Revenue	\$	-	\$	-	\$	-	\$	-
Net income (loss)	\$	(9,364)	\$	(9,931)	\$	(15,585)	\$	3,376
Net income (loss) per share - basic & diluted	\$	(0.000)	\$	(0.000)	\$	(0.000)	\$	0.000

	September 30, 2015		June 30, 2015		March 31, 2015		December 31, 2014	
Revenue	\$	-	\$	-	\$	-	\$	-
Net income (loss)	\$	(14,737)	\$	(13,777)	\$	(14,719)	\$	13,080
Net income (loss) per share - basic & diluted	\$	(0.000)	\$	(0.000)	\$	(0.001)	\$	0.001

CASH FLOW

For the nine months September 30, 2016 the Corporation's cash decreased \$2,034. The decrease in cash results from cash used in operations of \$28,257, cash used in investing activities of \$207,877 and financing proceeds of 234,100.

The cash spent on investing activities were primarily for geological exploration activities related to undeveloped mineral properties.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Kairos is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS**Mining Industry Risks**

The exploration for and development of mineral deposits involves a high degree of risk that even a combination of careful evaluation, experience, knowledge and sufficient financial resources may not eliminate. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit such as size, grade and proximity to infrastructure; commodity prices which are inherently cyclical and cannot be predicted with certainty; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted and the combination of these factors may result in not receiving an adequate return on invested capital.

Properties without Known Mineable Reserves

The Corporation's activities will continue to be directed towards the search for, evaluation of, and development of mineral deposits. There is no assurance that expenditures associated with those activities will result in securing commercial mineral deposits and actual expenditures may be higher than currently anticipated.

Uncertainty as to Calculations of Mineral Deposit Estimates

There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates. Until the mineral is actually mined and processed, mineral deposit estimates, grades and recovery rates must be considered as estimates only. Consequently, there can be no assurance that any mineral deposit estimates or grade information will prove accurate. In addition, the value of mineral deposits may vary depending on mineral prices and other factors. Any material change in grades, stripping ratios or other mining and processing factors may affect the economic viability of projects. Furthermore, mineral deposit estimate information should not be interpreted as any assurance of mine life or of the potential profitability of existing or future projects.

Uninsurable Risks

The Corporation may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce the funds available for development and mining activities. Payment of liabilities for which the Corporation does not carry insurance may have a material adverse effect on the Corporation's financial position.

Currency

Currency fluctuations may materially affect the financial position and results of Kairos. Kairos does not intend to engage in currency hedging to offset currency fluctuations risks.

Governmental Regulation of the Mining Industry

The mineral development or exploration activities of Kairos are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to protection of the environment. Although the Corporation 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 that could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of Kairos or more stringent implementation thereof could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover deposits but also from finding deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of resources or reserves acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of Kairos and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of facilities, commodity markets, processing equipment availability and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in Kairos not receiving an adequate return of investment capital.

There is no assurance that Kairos' mineral exploration and development activities will result in any discoveries or acquisitions of commercial bodies of minerals. The long-term profitability of Kairos operations will in part be directly related to the costs and success of its development efforts which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery or acquisition of a deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

If Kairos loses or abandons its interest in its properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by Kairos, whether by way of option or otherwise, should Kairos wish to acquire any additional properties.

The business of exploration and development of minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines and there is no guarantee Kairos' new projects will become producing mines.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and Kairos may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Kairos.

Permits and Licenses

The future operations of Kairos may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that Kairos will be able to obtain all necessary permits and approvals that may be required to undertake development activity or commence construction or operation of mine facilities on Kairos' properties.

Environmental Legislation

Environmental laws and regulations may affect the operations of Kairos. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, Kairos generally relies on recognized designers and development contractors, from which Kairos will, in the first instance, seek indemnities. Kairos intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

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

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Kairos and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although Kairos believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Kairos' interests.

Market Prices

If Kairos seeks to bring a property to production, the profitability of its operations will be dependent in part upon the market price of the minerals. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Kairos. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate stability can all cause significant price fluctuations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Kairos' business, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases and Kairos will compete with many companies possessing greater financial and technical resources than itself. Competition in the mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and, the capital for the purpose of funding such properties. Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a world-wide basis. Such competition may result in Kairos being unable to acquire desired properties (due to the auction process involved in property acquisition), to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Kairos' prospects for mineral exploration and success in the future.

Additional Financing

The exploration and development of Kairos' properties, including continuing exploration and development projects, and the construction of mining facilities and the commencement of mining operations, will require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration development or production on any or all of Kairos' properties or even a loss of a property interest. Sources of funds now available to Kairos are limited and may include the sale of equity capital, properties, royalty interests, the entering into of future joint ventures and the exercise of outstanding options and warrants. Additional financing may not be available when needed or, even, if available, the terms of such financing might not be favourable to Kairos and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on Kairos' business, financial condition and results of operations.

Competition for Key Personnel

Kairos will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on Kairos. Kairos' ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. Kairos faces intense competition for qualified personnel and there can be no assurance that Kairos will be able to attract and retain such personnel.

Possible Volatility of Stock Price

The market price of Kairos Shares will be subject to wide fluctuations in response to factors such as actual or anticipated variations in Kairos' consolidated results of operations, changes in financial estimates by securities analysts, general market consolidated and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the Kairos Shares. Factors such as the price of minerals, announcements by competitors, and changes in stock market analyst recommendations regarding Kairos, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Kairos Shares. Moreover, it is likely that during future quarterly periods, Kairos' results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Kairos Shares could be materially adversely affected.

In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against Kairos, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on Kairos' business, financial condition and results of operations.

Ability to Manage Growth

The size of Kairos' business and assets is expected to grow in the coming years. In order to effectively deploy its capital and manage its growth, Kairos will need to retain additional personnel and augment, improve or replace existing systems and controls. As a result, there can be no assurances that Kairos will be able to effectively manage its growth and, if it is unable to do so, its business, financial conditions and results could be adversely affected.

Ability to Sell Securities

Securities of Kairos may be subject to resale restrictions under applicable securities legislation. Accordingly, there may be a long time period between the date of purchase of securities and the date that a shareholder is able to sell these securities. In this time, the market price of Kairos' securities will vary. Additionally, there may be limited liquidity in the market for such securities. As such, there is no assurance that the market price at which a shareholder is able to sell any will equal or exceed the price at which the securities were originally issued by Kairos.

Acquisition Risk

As part of Kairos' business strategy, it may seek to grow by acquiring businesses that it believes will complement its current business. Kairos may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. Kairos cannot guarantee that it can complete any acquisition it pursues on favourable terms, or that any completed acquisitions will ultimately benefit its business and the results of operations of Kairos.

The risks inherent with acquisitions include the risks associated with the integration of acquired operations, diversion of management's attention and potential loss of key employees. Kairos may not be able to successfully integrate products, technologies or personnel of a business acquired in the future. Failure could have a Material Adverse Effect on the business, financial condition and results of operations of Kairos.

Dividends

To date, Kairos has not paid any dividends on their outstanding shares and does not expect to do so in the foreseeable future. Any decision to pay dividends on Kairos' Shares will be made by the Board of Directors of Kairos on the basis of Kairos' earnings, financial requirements and other conditions.

Conflicts of Interest

Certain of the directors and officers of Kairos will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Kairos may become subject to conflicts of interest. The Business Corporations Act (Alberta) ("ABCA") provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Other Risks

Kairos also faces a number of risk factors that are outside of its control, generally, including, without limitation, terrorist activities, natural disasters, general economic and other conditions.

Amendments to IAS 38 provides clarification of acceptable methods of depreciation and amortization. The amendments were issued in May 2014 and apply to annual reporting periods beginning on or after January 1, 2016, with early adoption permitted under IFRS. The Corporation continues to assess this new standard, but does not expect it to have a significant impact.

CORPORATE INFORMATION

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