

GOLDENEYE RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SIX MONTHS ENDED OCTOBER 31, 2016

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GOLDENEYE RESOURCES CORP.

Management's Discussion and Analysis
Six Months Ended October 31, 2016

The following is management's discussion and analysis ("MD&A") of Goldeneye Resources Corp. (the "Company" or "Goldeneye"), prepared as of December 5, 2016. This MD&A should be read together with the unaudited condensed interim consolidated financial statements for the six months ended October 31, 2016 and related notes and the audited consolidated financial statements for the year ended April 30, 2016 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of December 5, 2016, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Additional information related to Goldeneye is available for view on SEDAR at www.sedar.com.

The Company's Business

The Company was incorporated on March 2, 2011 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* of British Columbia. The Company was formed as a "Capital Pool Company" as defined by policy 2.4 of the TSX Venture Exchange (the "TSX-V") under the name "Barranco Resources Corp."

On October 29, 2012, the Company completed a Qualifying Transaction with Goldeneye Resources Inc. ("GRI") and changed its name to Goldeneye Resources Corp. The Company's shares currently trade on the TSX-V under the symbol "GOE".

On June 26, 2015, the Company consolidated its common shares on a 1 new for 10 old share basis. All share and per share amounts have been revised on a retroactive basis to reflect the share consolidation.

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Properties

Keyes Dome Project

On November 28, 2012, the Company entered into a letter of intent (the "LOI") with TexKanOk Energy, LLC (the "Vendor"), an arm's length party to the Company, to acquire an interest in the Keyes Dome Project, Oklahoma (the "Keyes Dome Project").

Under the terms of the LOI, the Company agreed to pay a total of US\$266,000 and issue a total of 330,000 common shares and 165,000 transferrable share purchase warrants to the Vendor in stages as set out below. Each warrant will authorize the holder thereof to purchase one common share of the Company for a period of five years from the date of issue at an exercise price of \$3.00 per share:

The Company issued 22,230 common shares as a finder's fee in respect of the transaction.

During the year ended April 30, 2015, management of the Company decided to abandon the Keyes Dome Project and recorded an impairment loss of \$1,750,930.

The Company continues its search for other resource related opportunities.

Summary of Exploration Activities on the Keyes Dome Project

As part of the acquisition of the Keyes Dome Project the Company took possession of an existing well drilled to the top of the Mississippi formation in 2011. This well, known as the Jenkins #1 was determined to be the most cost effective access to the Mississippian formation. The Jenkins was re-entered and it was determined that the well had been re-entered previously and the casing perforated by unknown parties. This re-entry was undertaken without the knowledge of the state of Oklahoma or the operator of record. The well was producing water from the perforations and required a cement squeeze to seal the well to enable drilling with the oil based drill fluids required for the Mississippian formation. The cement was only partially effective in stopping the water flow so drilling continued using water based drill fluid to the top of the Spergan formation. At 4870 feet, the 4.5 inch casing was set to eliminate water inflow from the upper perforated casing.

Underbalanced drilling commenced within the St. Louis formation with oil based fluid. A hard cap rock located at St. Louis lower porosity zones required normal circulation. Circulation was lost at 4990 feet. The well was swab tested, recovering some drill fluid but no native oil. No further work was undertaken on the zone.

Oil shows found in the drill fluid and the well logs indicated the 4800-4810 feet zone was a viable completion target. The zone was treated with acid. Unfortunately the formation yielded no oil and was abandoned. The Company is studying several upper zones as potential completion targets.

On March 13, 2014, the Company entered into a farmout agreement with Range Resources-Midcontinent, LLC. ("Range Resources") for two of the Company's leasehold interests. The agreement provides Range Resources the ability to commence drilling for oil and/or gas. After drilling has reached the targeted depth, Range Resources will either initiate completion of a well as a producer of oil and/or gas in commercial quantities, or plug and abandon the well as a dry hole. Upon completion of an earning well, Range Resources will be entitled to an assignment of the oil and gas leases. The Company will retain a proportional overriding royalty interest on the net production produced from within these leased lands.

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Quarterly Information**SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue	Total expenses before other items	Loss for the period	Basic and Diluted Loss per share
October 31, 2016	\$ Nil	\$ 21,534	\$ 21,292	\$ (0.00)
July 31, 2016	\$ Nil	\$ 33,624	\$ 33,411	\$ (0.00)
April 30, 2016	\$ Nil	\$ 67,177	\$ 62,754	\$ (0.00)
January 31, 2016	\$ Nil	\$ 21,329	\$ 17,269	\$ (0.00)
October 31, 2015	\$ Nil	\$ 20,637	\$ 27,824	\$ (0.00)
July 31, 2015	\$ Nil	\$ 21,233	\$ 40,244	\$ (0.03)
April 30, 2015	\$ Nil	\$ 29,047	\$ 1,767,916	\$ (0.73)
January 31, 2015	\$ Nil	\$ 63,627	\$ 90,755	\$ (0.04)

Included in the loss of \$1,767,916 during the quarter ended April 30, 2015 is the impairment of the Keyes Dome Project in the amount of \$1,750,930.

The Company has not generated any revenues or had any results of discontinued operations.

Results of Operations

During the three months ended October 31, 2016, the Company reported a net loss of \$21,292 as compared to a net loss of \$27,824 for the corresponding period in 2015. Total expenses before other items of \$21,534 for the three months ended October 31, 2016 related primarily to travel expenses and administrative fees to a Company controlled by a director of the Company as compared to \$20,637 for the three months ended October 31, 2015 which related primarily to administrative fees to a Company controlled by a director of the Company, filing fees, transfer agent fees and net of recovery of legal fees. All other costs are consistent with maintaining the Company as a reporting issuer.

During the six months ended October 31, 2016, the Company reported a net loss of \$54,703 as compared to a net loss of \$86,335 for the corresponding period in 2015. Total expenses before other items of \$55,158 for the six months ended October 31, 2016 related primarily to filing fees, administrative fees to a Company controlled by a director of the Company, legal fees and travel expenses as compared to \$41,870 for the six months ended October 31, 2015 which related primarily to administrative fees to a Company controlled by a director of the Company, filing fees and transfer agent fees. All other costs are consistent with maintaining the Company as a reporting issuer.

Liquidity and Capital Resources

During the six months ended October 31, 2016, cash decreased by \$63,358 (2015: increase of \$221,556). The Company used \$62,293 (2015: \$798,744) in operating activities and \$13,065 (2015: \$Nil) in investing activities on a loan receivable. Cash provided by financing activities for the six months ended October 31, 2016 was \$12,000 (2015: \$1,020,300) pursuant to the exercise share purchase warrants in the current period. During the prior period the Company completed a private placement of \$1,013,300 net of share issue cost (\$5,200) and a loan payable of \$7,000.

On May 12, 2016, the Company entered into a loan agreement in the amount of US\$10,000 as the lender. The loan is unsecured, bears interest at 7% per annum and is due one year from the date of the

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agreement or the occurrence of an event of default. Interest is payable on the first day of each quarter beginning on September 1, 2016.

On May 25, 2016, the Company issued 200,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of \$12,000.

As at October 31, 2016, the Company had a working capital of \$92,048 consisting primarily of cash in the amount of \$106,818, GST receivable and prepaid expenses and deposits in the amount of \$12,953 and a loan receivable of \$13,507, less accounts payable and accrued liabilities of \$34,230 and loans payable of \$7,000.

The Company believes that the current capital resources are sufficient to pay overhead expenses for the next twelve months and will not need to seek additional funding to fund its overhead expenses and its continuous search for other resource opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

	six months ended October 31,	
	2016	2015
Key management compensation		
Administrative fees	\$ 15,000	\$ 12,500
	\$ 15,000	\$ 12,500

	2016	2015
Key management compensation		
Administrative		
Harmony Corporate Services Ltd., a company controlled by Geoff Balderson, Director	\$ 15,000	\$ -
Geoff Balderson, Director	-	12,500
	\$ 15,000	\$ 12,500

Included in accounts payable and accrued liabilities as at October 31, 2016 is \$836 (April 30, 2016: \$Nil) due to Geoff Balderson for reimbursement of expenses. The amount is unsecured, non-interest bearing and has no specific terms of repayment.

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Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer and the directors of the Company to be key management. During the six months ended October 31, 2016 and 2015, the Company incurred key management compensation as noted in the above table.

Proposed Transactions

N/A

Risk and Uncertainties

The more significant risks and uncertainties not discussed elsewhere in this MD&A include:

Financing Risk

The Company will need to continue raising funds to finance its operations beyond twelve months. There is no certainty that the Company will be able to raise money on acceptable terms or at all.

Exploration Risk

Exploration for natural resources involves a high degree of risk. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. Few explored properties are ultimately developed into producing properties. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several different exploration prospects in a number of favorable geologic environments.

Metal Price Risk

Even if the Company's exploration programs are successful in locating resources, factors beyond the Company's control may affect the value and marketability of such resources. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenditures.

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

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The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the consolidated financial statements.

Accounting Standards and Amendments Adopted

Effective May 1, 2016 the Company adopted the following new standards and interpretations, which had no significant impact on these consolidated financial statements:

- Amendments to IAS 24 Related party disclosures
- Amendments to IFRS 2 Share-based payment

Accounting Standards and Amendments Issued But Not Yet Effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

IFRS 9 *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

IFRS 15 *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 *Leases* which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

Amendments to IAS 7 Statement of Cash Flows require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes

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in other assets and liabilities. These amendments are effective for reporting periods beginning on or after January 1, 2017.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, loan receivable, accounts payable and accrued liabilities and loans payable. The recorded value of cash, loan receivable, accounts payable and accrued liabilities and loans payable approximate their fair values due to their demand nature and their short term to maturity.

The Company's risk exposures and the impact on the Company's consolidated financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. As at October 31, 2016 the Company had a working capital of \$92,048.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada. As at October 31, 2016, the Company had Canadian equivalent in cash of \$20 (April 30, 2016: \$605) which are denominated in United States dollar. The Company has determined its foreign exchange risk at October 31, 2016 is immaterial.

Outstanding Share Data

As the date of this MD&A there were:

A total of 23,004,829 common shares issued and outstanding.

Warrants to purchase the following:

- Up to 20,170,000 common shares at \$0.06 per share;
- up to 460,917 common shares at \$1.00 per share;
- up to 460,917 common shares at \$2.00 per share;

Finders' warrants to purchase up to 81,917 common shares at \$1.50 per share.

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Stock options to purchase up to 1,025,000 common shares at \$0.05 and a further 22,500 common shares at \$1.50 per share.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.