

EARNY RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JULY 31, 2015

The effective date of this report is September 28, 2015

Management Discussion & Analysis:

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Earny Resources Ltd. (the "Company" or "Earny") for the three months ended July 31, 2015. The following management discussion and analysis, prepared as of September 28, 2015, should be read together with the unaudited condensed interim financial statements for the three months ended July 31, 2015 with the related notes attached thereto and the audited financial statements for the year ended April 30, 2015 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the condensed interim financial statements and the MD&A for the three months ended July 31, 2015. News releases and previous filings may be found on SEDAR at www.sedar.com.

Description of Business:

Earny Resources Ltd. (the "Company") was listed as a Capital Pool Company ("CPC") as defined in TSX Venture Exchange (the "Exchange") Policy 2.4, on September 26, 2011 and received regulatory approval of the required Qualifying Transaction on August 27, 2012. The Company's shares commenced trading on September 26, 2011 under the symbol ERN.P. The principal business of the Company is the acquisition, exploration and development of mineral property interests in British Columbia. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on February 9, 2011.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Earny that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words "anticipate", "believe", "estimate", "expect", "implied", "intend" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted. Should one or more of these risks materialize, or should under-lying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Earny cautions that forward-looking statements involve risk and uncertainty.

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Overall Performance

- The Company's loss for the three months ended July 31, 2015 was \$21,149 (2014: \$38,365).
- Working capital at July 31, 2015 was in a deficit balance of \$99,778 (\$78,629 deficit at April 30, 2015). The working capital decrease during the current period was a result of the operating loss incurred, as there was no new source of financing during the period.

Management has determined to diversify the Company's mineral property holdings and, in this regard, has recently identified an area of high geological interest in Ontario. The Company is presently in discussions with property owners respecting the acquisition of varying interests in an assortment of properties; however, due to confidentiality issues, the exact location and geological characteristics of the properties of interest may not be disclosed until an acquisition is finalized and details are announced. This is expected to occur in the near future.

Qualifying Transaction

On February 27, 2012, the Company entered into an option agreement with Qualitas Holdings Corp. and Novus Gold Corp. (the "Optionors") to earn up to a 100% interest in certain mineral claims (the "PC Property" or the "Property") located in the Spences Bridge Gold Belt of British Columbia. This transaction constituted Earny's Qualifying Transaction. Acceptance by the TSX Venture Exchange of the transactions contemplated by the option agreement and related matters was required and was received on August 27, 2012. Qualitas Holdings Corp. is a private British Columbia corporation, owned equally by James Rankin and Angeline Santana of British Columbia. Novus Gold Corp. is a British Columbia reporting company listed on the TSX Venture Exchange.

Pursuant to the Option Agreement, Earny can earn a 100% interest in the PC Property by paying cash and issuing shares to the Optionors as follows: a) \$10,000 upon execution of the Option Agreement (paid); b) \$10,000 (paid) and 100,000 common shares ("Shares") (issued at a fair value of \$17,000) upon Exchange Approval; c) 100,000 Shares on the first anniversary of Exchange Approval (issued at a fair value of \$10,000); and d) 600,000 Shares on the second anniversary of Exchange Approval. On July 23, 2014, the Company entered into an amended option agreement with the Optionors whereby a total of 300,000 Shares (instead of 600,000 Shares) were required to be issued as final payment for the PC Property (300,000 shares were issued on July 24, 2014 at a fair value of \$30,000). Earny has also met the minimum required expenditure of \$100,000 in exploration expenditures on the Property by the first anniversary of Exchange Approval.

The Optionors have retained a 2.0% net smelter return royalty on the production from the Property. The Company has the option of purchasing the royalty from the Optionors for \$500,000 for each 0.5%.

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Concurrent Private Placement

On July 28, 2014, the Company received approval from the TSX Venture Exchange to extend the term and amend the price of the share purchase warrants issued pursuant to a private placement completed during the year ended April 30, 2013. Warrants to purchase 897,500 common shares will expire on August 12, 2017, at an amended exercise price of \$0.18 (instead of \$0.22). Warrants to purchase 300,000 common shares will expire on August 12, 2017, at an amended exercise price of \$0.18 (instead of \$0.25).

Critical accounting policies and estimates

The preparation of the annual financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective May 1, 2014, the following standards were adopted but have had no material impact on the financial statements.

- IAS 36 (Amendment): The standard was amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGU's) for periods in which an impairment loss has been recognized or reversed.
- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2014. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

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Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of both property acquisition and exploration costs and of corporate expenses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

	Loss per quarter	Fully diluted loss per share	Interest income	General and administrative expenses	Property costs
Aug. 1, 2013 – Oct. 31, 2013	\$57,663	\$0.01	\$400	\$58,063	\$ -
Nov. 1, 2013 – Jan. 31, 2014	38,679	0.01	279	38,958	-
Feb. 1, 2014 – April 30, 2014	48,406	0.01	168	48,558	-
May 1, 2014 – July 31, 2014	38,365	0.01	37	38,402	-
Aug. 1, 2014 – Oct. 31, 2014	26,208	0.00	4	26,212	500
Nov. 1, 2014 – Jan. 31, 2015	18,320	0.00	1	18,321	-
Feb. 1, 2015 – April 30, 2015	28,676	0.00	-	28,676	(750)
May 1, 2015 – July 31, 2015	21,149	0.00	-	21,149	-

Three months ended July 31, 2015

Net loss and comprehensive loss for the period was \$21,149 compared to \$38,365 for the comparative period ended July 31, 2014. Administration fees of \$12,000 (2014: \$12,000) were paid or accrued by the Company to a private company (N.K.V. Engineering and Consulting Ltd.) which has an executive officer (Navin Varshney, President) in common with the Company. Administration fees of nil (2014: \$1,500) were paid or accrued to Wally Boguski, who resigned as a director of the Company during the year ended April 30, 2015. Rent of \$1,500 was paid or accrued in both interim periods 2015 and 2014 to N.K.V. Engineering and Consulting Ltd. Professional fees (legal, audit and accounting) of \$5,153 declined compared to the 2014 amount of \$15,220, as the Company amended its mineral property option agreement and amended the term and pricing of its outstanding share purchase warrants during the 2014 interim period. Regulatory and transfer agent fees also decreased in 2015 compared to the 2014 comparative period as the Company conserved cash and limited its activity during the current period.

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Liquidity, Capital Resources and Capital Expenditures

At July 31, 2015, the Company's working capital, defined as current assets less current liabilities, was in a deficit balance of \$99,778 (\$78,629 deficit at April 30, 2015). No new financing has been raised since the fiscal year ended April 30, 2013. In order to meet its obligations as they become due, the Company will need to access further funding. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company will require additional funds to meet the requirements of any additional mineral resource project acquired and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

In a news release dated September 25, 2014, the Company announced that it has arranged a non-brokered private placement to qualified investors. The proposed private placement remains subject to TSXV approvals. The announced private placement financing would consist of 2,000,000 units ("Units") for total proceeds of \$200,000. Each Unit will be issued at a price of \$0.10 and will consist of one common share and one share purchase warrant. Each warrant shall entitle the holder to purchase one additional common share at a price of \$0.15 per share, with an expiry date which is 24 months from closing. The proceeds of this private placement will be used for general working capital purposes.

The Company's working capital is held in cash in Canadian dollars, and so is highly liquid, and is not subject to exchange rate fluctuations relative to the reporting currency.

The Company has not made any commitments for capital expenditures, for exploration and development expenses, or for mineral property option payments, except as pertains to the requirements of the option agreement dated February 27, 2012 (amended July 23, 2014) with Qualitas Holdings Corp. and Novus Gold Corp., as described under the Qualifying Transaction section. The Company has not made any arrangements for sources of financing that it has not yet used.

Contractual obligations

Earny has no long-term debt outstanding or contractual obligations except as pertains to the requirements of the option agreement with Qualitas Holdings Corp. and Novus Gold Corp., as previously described.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

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Financial instruments

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted, due to their demand nature and their short term to maturity.

Financial risk factors

The Company's risk exposures and the impact on the Company's 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 and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Receivables comprised primarily of GST receivable from the Canadian Government are a low credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2015, the Company had cash and receivables of \$4,914 to settle current liabilities of \$106,859 (liabilities included \$72,504 due to related parties). In order to meet its obligations as they become due, the Company will need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) *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 a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

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b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at July 31, 2015, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Outstanding Share Data

Authorized Capital

Unlimited common shares without par value.

Issued and Outstanding Capital

7,135,000 common shares were issued and outstanding at July 31, 2015 and September 28, 2015.

Stock Options Outstanding

	Number of options	Exercise Price	Expiry Date
Directors' Stock Options	424,000	\$0.10	June 6, 2016

Share Purchase Warrants Outstanding

Expiry Date	Exercise Price	Number of Warrants
August 12 , 2017	\$ 0.18	300,000
August 12 , 2017	\$ 0.18	897,500
		<u>1,197,500</u>

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Key Management Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation of the Company's key management for the three months ended July 31 was comprised of the following:

	2015	2014
Administrative fees and rent	\$ 13,500	\$ 15,000

For a summary of the payments to related parties, refer to the previously described Summary of Quarterly Results and Results of Operations.

Uncertainties and Risk Factors

No source of revenue

The Company has obtained a listing on the TSX Venture Exchange as a Tier 2 junior exploration company and has no source of revenue. All of the Company's short to medium-term operating expenses must be derived from its existing cash position, from exercise of stock options or from external financing.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company has provided a breakdown of capitalized exploration costs in Note 3 of the condensed interim financial statements for the three months ended July 31, 2015. In addition, significant components of general and administrative expenses are shown separately on the *Condensed Interim Statements of Operations and Comprehensive Loss*, also part of the condensed interim financial statements for the three months ended July 31, 2015.