PATRIOT ONE TECHNOLOGIES INC.

(formerly Clear Mountain Resources Corp.)

Management's Discussion and Analysis
For the Year Ended May 31, 2016

OVERVIEW

This discussion covers the operations of Patriot One Technologies Inc. (formerly Clear Mountain Resources Corp.) ("**Company**") for the year ended May 31, 2016. The following management's discussion and analysis ("**MD&A**") should be read in conjunction with the annual audited consolidated financial statements and notes for the year ended May 31, 2016 (the "**Financial Statements**"). All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information on the Company is available on SEDAR at www.sedar.com and at the Company's website, www.clearmountainresources.com. The date of this MD&A is August 26, 2016.

FORWARD LOOKING STATEMENTS

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", ''intend'', "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

The Company is a junior mineral resource exploration company with its head office located in Vancouver, British Columbia, Canada. The Company's shares were listed for trading on the TSX Venture Exchange ("**Exchange**") under the trading symbol "CY". The principal business of the Company is the identification, evaluation and acquisition of mineral properties and the subsequent exploration and operation thereof.

In September 2015, the Company's wholly-owned subsidiaries, Clear Mountain Production LLC, Clear Mountain Assets LLC, and Clear Mountain Midstream LLC, were fully dissolved.

In November 2015, the Company closed a private placement for gross proceeds of $40,000, whereby the Company issued 200,000 (4,000,000 pre-consolidation) units at a price of $0.20 ($0.01 pre-consolidation) per unit. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable into one additional common share for a period of five years at a price of $1.00 ($0.05 pre-consolidation) per share. The Company incurred share issuance costs of $950 in connection with this private placement.

On April 8, 2016, the Company appointed Geoff Balderson as Chief Executive Officer and director of the Company, and Carrie Cesarone as Chief Financial Officer and Secretary of the Company. The Company also appointed Jeffery Tindale and Leighton Bocking as directors of the Company.

Richard Barth resigned as Chief Executive Officer and director, Michael Waldkirch resigned as Chief Financial Officer and director, and Craig Taylor and Mark Vanry resigned as directors of the Company.

On May 16, 2016, the shareholder of the Company approved a common share consolidation on the basis of twenty pre-consolidation common shares for one post-consolidation share of the Company. The consolidation was made effective on May 18, 2016. All references to the number of shares and per share amounts have been retroactively restated to give effect to the consolidation.

On July 28, 2016, the Company entered into a non-binding letter of intent ("**LOI**") with Patriot One Detection Ltd. (formerly Patriot One Technologies Inc.) ("**Patriot**") pursuant to which the Company and Patriot will enter into a definitive share exchange agreement whereby all outstanding securities of Patriot will be exchanged for securities of the Company on a 1 for 1 basis. See "Proposed Transactions" below for more details. Subsequent to completing the transaction, the Company will cease resource–related activities and become a technology issuer. On August 24, 2016, the Company changed its name to Patriot One Technologies Inc. and its shares were listed for trading on Exchange under the trading symbol "PAT". Completion of the transaction is subject to a number of conditions, including Exchange acceptance and shareholder approval.

OVERALL PERFORMANCE

Financial highlights:

Operating expenses during the year ended May 31, 2016 were $99,629 versus $303,262 in the comparative year ended May 31, 2015. The decrease in operating expenses in the current year is attributable to reduced corporate activity and cost cutting initiatives which resulted in lower management fees, professional fees, property investigation costs, and travel and related fees.

The total net decrease in cash during the year ended May 31, 2016 was $100,156 compared to a decrease of $163,055 in the comparative year ended May 31, 2015. The decrease in the current year was the result of cash used in operating activities of $150,756 as compared to $163,055 in the comparative period. The Company recovered a portion of this with the closing of a $40,000 private placement in November 2015.

SELECTED ANNUAL INFORMATION

At May 31, 2016, the Company had not yet achieved profitable operations and has an accumulated deficit of $3,252,786 (2015 - $3,201,329) since inception. These losses resulted in a net loss per share (basic and diluted) for the year ended May 31, 2016 of $0.07 (2015 - $0.30).

The following financial data is derived from the Company's annual audited financial statements for the years ended May 31, 2016, 2015 and 2014:

	2016 $	2015 $	2014 $
Revenue	-	-	-
General and administrative expenses	99,629	303,262	1,006,665
Loss and comprehensive loss	(76,045)	(303,263)	(2,201,558)
Basic and diluted loss per common share	(0.07)	(0.30)	(2.70)
Working capital (deficit)	(532,141)	(505,367)	(202,381)
Exploration and evaluation assets	-	-	1
Total assets	9,510	114,772	284,465
Total Liabilities	540,766	619,033	485,463

The Company is considered an exploration stage company and has not generated any revenues to date.

RESULTS OF OPERATIONS

The table below details the changes in major expenditures for the year ended May 31, 2016 as compared to the corresponding year ended May 31, 2015.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Foreign exchange loss	Decrease of $14,800	Decrease as the US dollar strengthened relative to the Canadian dollar at a greater pace in the comparative period. US dollar has been consistent in the current period.
Management fees	Decrease of $140,236	Decrease as part of the implementation of cost cutting initiatives by suspending all further management fees.
Professional fees	Decrease of $14,952	Decrease was correlated with reduced corporate activity in the current period.
Property investigation costs	Decreased of $39,582	Decrease was correlated with reduced activities in the current period.

The table below details the changes in major expenditures for the year ended May 31, 2015 as compared to the corresponding year ended May 31, 2014.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Foreign exchange loss	Decrease of $71,073	Increase in the US dollar strengthened relative to the Canadian dollar.
Management fees	Decrease of $62,350	Decrease as part of the implementation of cost cutting initiatives
Professional fees	Decrease of $582,663	Decrease as the higher legal fees incurred in the comparative period was associated with evaluating projects in Osage County, Oklahoma.
Rent	Decrease of $12,946	Decrease as there was no rent incurred in fiscal 2015.
Share-based compensation	Decrease of $101,004	Decrease as there were no stock options granted in fiscal 2015.
Transfer agent and filing fees	Decrease of $13,544	Decrease was correlated with reduced corporate activity in the current period.
Travel and related	Decrease of $37,609	Decrease was correlated with reduced corporate activity in the current period.

FOURTH QUARTER

For the quarter ended May 31, 2016, the Company had a net loss and comprehensive loss of $9,754 as compared to a net loss of $7,233 for the period ended May 31, 2015. The current period loss is consistent with that of the prior period. The operating expenses for the three months ended May 31, 2016 of $33,337 relate primarily to $7,700 in consulting fees to the officers of the Company, $9,176 in professional fees and $8,489 in transfer agent and filing fees. In addition, the Company settled with a former director of the Company and recorded a gain on forgiveness of debt of $22,034. The operating expenses of $7,233 for the three months ended May 31, 2015 relate primary to maintaining the Company as a reporting issuer.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Three months ended			
	May 31, 2016 $	**Feb 29, 2016 $**	**Nov 30, 2015 $**	**Aug 31, 2015 $**
Loss and comprehensive loss	(9,754)	(9,825)	(21,244)	(35,222)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.03)
	May 31, 2015 $	**Feb 28, 2015 $**	**Nov 30, 2014 $**	**Aug 31, 2014 $**
Loss and comprehensive loss	(7,233)	(103,614)	(85,681)	(106,735)
Basic and diluted loss per share	(0.01)	(0.10)	(0.08)	(0.10)

The Company has not generated revenue since its inception; therefore, the Company continues to incur losses. The losses for the quarters are primarily the result of costs associated with maintaining the Company's as a reporting issuer, management and professional fees.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

The Company does not generate cash from operations and is dependent on raising capital from equity markets to pursue new projects and business opportunities.

The Company's liquidity and capital resources are as follows:

	May 31, 2016	May 31, 2015
	$	$
Cash	1,718	101,874
Receivables	1,624	2,874
Prepaid expenses	5,283	8,918
Total current assets	9,510	113,666
Trade payables and accrued liabilities	540,766	525,843
Due to related parties	-	93,190
Working capital deficit	(532,141)	(505,367)

The Company's operations consist primarily of the identification, evaluation and acquisition of mineral properties and the subsequent exploration and operation thereof including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits.

As at May 31, 2016, the Company had a cash position of $1,718 (May 31, 2015 - $101,874) consisting of net proceeds from the private placement which closed in November 2015. As at May 31, 2016, the Company had a working capital deficit of $532,141 (May 31, 2015 –$505,367).

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, find another financeable project, and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future, which raise significant doubts about the Company's ability to continue as a going concern. See "Risks and Uncertainties".

On June 27, 2016, the Company completed a non-brokered private placement totalling 9,505,000 units at a price of $0.075 per unit for gross proceeds of $712,875. Each unit consist of one common share and one transferable share purchase warrant. Each warrant is exercisable into one additional common share at a price of $0.20 per common share expiring on June 27, 2019. The Company issued 133,800 finders' units with same terms as that of the private placement noted above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended May 31, 2016, Leighton Bocking, a director of the Company advanced $10,000 to the Company. The amount owed is unsecured, non-interest bearing and to be converted into private placement units within one year from advance. If the loan is not converted there is no obligation to the Company to repay the amount.

As at May 31, 2016, $Nil (2015 - $27,034) was included in due to related parties owing to Richard Barth, a former director and officer of the Company for unpaid management fees.

As at May 31, 2016, $Nil (2015 - $66,156) was included in due to related parties owing to a company controlled by Michael Waldkirch, a former director and officer of the Company for unpaid professional fees and reimbursement of expenses. During the year the Company settled the above noted debt and recorded a gain on forgiveness of $22,034.

Included in accounts payable and accrued liabilities as at May 31, 2016 is $97,500 (2015 - $Nil) owing to Leighton Bocking, a director of the Company which was acquired through an assignment of debt.

Included in accounts payable and accrued liabilities as at May 31, 2016 is $5,460 (2015 - $Nil) owing to Carrie Cesarone, CFO of the Company for consulting fees.

Included in accounts payable and accrued liabilities as at May 31, 2016 is $1,650 (2015 - $Nil) owing to Geoff Balderson, CEO of the Company for consulting fees.

Summary of key management personnel compensation:

	For the years ended May 31,	
	2016	**2015**
	$	**$**
Consulting fees		
Carrie Cesarone – CFO	4,700	-
Geoff Balderson – CEO	3,000	-
Professional fees		
Michael Waldkirch & Company Inc. – a company controlled by Michael Waldkirch	6,860	-
Management fees		
Michael Waldkirch – CFO	-	42,841
Richard Barth – CEO	-	97,395
	14,560	**140,236**

PROPOSED TRANSACTIONS

On July 28, 2016, the Company entered into a non-binding letter of intent ("**LOI**") with Patriot One Detection Ltd. (formerly Patriot One Technologies Inc.) ("**Patriot**") pursuant to which the Company and Patriot will enter into a definitive share exchange agreement whereby all outstanding securities of Patriot will be exchanged for securities of the Company on a 1 for 1 basis. The transaction is subject to satisfactory due diligence investigations, completion of a concurrent private placement financing to ensure a cash net of liabilities position of not less than $2,000,000 on closing and approval of the board of directors and shareholders of the Company and Patriot and the Exchange.

In connection with the transaction, the Company will undertake a concurrent private placement financing of up to 14,000,000 units at a price of $0.15 per unit for gross process of $2,100,000. Each unit will be comprised of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.30 per share for a period of two years.

On closing , the Company will grant up to 4,000,000 stock options exercisable at $0.15 per common share pursuant to the terms of the LOI.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

c) Level 3 – Input for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, and due to related parties. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and commodity price risk.

a) Credit risk

   Credit risk is risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in trust with a large Canadian financial institution and is not exposed to significant credit risk.

b) Interest rate risk

   Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds cash and does not have any interest bearing debt.

c) Liquidity risk

   Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company is currently exposed to liquidity risk as it does not have sufficient cash to offset current liabilities. The Company intends to manage its liquidity risk by forecasting cash flows from operations and anticipating future investing and financing activities (which may include acquiring financing through the equity markets). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

d) Foreign currency risk

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and United States dollar. At May 31, 2016, the Company has trade payables and accrued liabilities in US dollars of $35,702. Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately $357.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may significantly affect its success.

Lack of Cash Flow and Requirements for New Capital

The Company's current operations do not generate any positive cash flow. The Company has limited financial resources. There can be no assurance that additional funding will be available to allow the Company to fulfill such obligations.

No Operating History

The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Competition

The Company competes with numerous other individuals and companies possessing greater financial resources and technical facilities in the search for and acquisition of attractive mineral properties.

Management: Dependence on Key Personnel

The Company is dependent on a relatively small number of key personnel the loss of any one of whom could have an adverse effect on the Company. In addition, while certain of the Company's officers and directors have experience in the exploration and operation of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms. Certain directors and officers of the Company are associated with other natural resource exploration companies and may from time to time be in a conflict of interest.

Litigation

The nature of the Company's business subjects it to regulatory investigations, claims and lawsuits in the ordinary course of business. There is no assurance that the foregoing matters or any other investigations, claims and lawsuits, will not have an adverse effect on the Company.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's accounting policies during the year ended May 31, 2016.

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2016, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standards and interpretations have been issued but are not yet effective:

a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is tentatively effective for annual periods beginning on or after January 1, 2018 with early adopted permitted. The Company does not expect any effect on the Company's consolidated financial statements.

b) IAS 1 – Presentation of Financial statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, seeking new business opportunities and/or financing new business ventures in the mineral resource industry.

DISCLOSURE OF DATA FORM OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS

Common Shares

Below is a summary of the number of shares, options, and warrants outstanding.

	As at May 31, 2016	As at August 26, 2016
Common shares	1,223,416	10,862,216
Stock options	67,625	67,625
Warrants	228,750	9,838,800

Stock Options

The Company has issued incentive options to certain directors, employees, officers, and consultants of the Company. As of the date of this report, there are four tranches of stock options as shown below:

Number of Options	Exercise price	Expiry date
	$	
8,100	3.00	May 10, 2017
22,375	2.20	April 4, 2018
11,200	3.10	May 29, 2018
25,950	4.00	January 6, 2019

Warrants

As at the date of this report, the Company has warrants outstanding as shown below:

Number of Warrants	Exercise price	Expiry date
	$	
200,000	1.00	November 18, 2020
9,638,800	0.20	June 27, 2019

ADDITIONAL INFORMATION

Additional information related to the Company is available for view on SEDAR at www.sedar.com including, but not limited to:

- The Company's Audited Financial Statements for the year ended May 31, 2016.

Current directors and officers of the Company are as follows:

- Geoff Balderson, President, CEO and Director
- Carrie Cesarone, CFO and Corporate Secretary
- Jeffery Tindale , Director
- Leighton Bocking, Director

The MD&A has been approved by the Board effective August 26, 2016.

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