**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the six months ended June 30, 2016**

## INTRODUCTION

Prepared on August 26, 2016 for the six months ended June 30, 2016 (“Q2 2016”), this Management Discussion and Analysis (“MD&A”) supplements, but does not form part of the audited financial statements of Roughrider Exploration Limited (“Roughrider” or the “Company”). This MD&A should be read in conjunction with the accompanying audited financial statements for the years ended December 31, 2015 and 2014 and the related notes which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Additional information, including audited financial statements and more detail on specific items discussed in this MD&A can be found on the Company’s page at www.sedar.com.

Monetary amounts in the following discussion are in Canadian dollars.

This MD&A contains Forward Looking Information.
Please read the Cautionary Statements on page 3 carefully.

## FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward looking statements as defined in applicable securities laws. All statements other than historical fact are forward looking statements.

The statements reflect the current beliefs of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information, principally under the heading "Outlook," but also elsewhere in this document, includes estimates, forecasts, plans and statements as to the Company's current expectations concerning, among other things, continuance as a going concern, collection of receivables, requirements for additional capital, the availability of financing, and the potential held by projects in the Company's portfolio.

Forward-looking statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the global and local supply and demand for labour and other project inputs, changes in commodity prices in general, changes to legislation, conditions in financial markets (in particular, the continuing availability of financing), our ability to attract and retain skilled staff, and our ongoing relations with governments, our employees and business partners. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially from expectations.

Factors that may cause actual results to vary include, but are not limited to: actual experience in collecting receivables, changes in interest and currency exchange rates, acts or omissions of governments, including those who consider themselves self-governing, delays in the receipt of government approvals or permits to begin work, inaccurate geological and engineering assumptions, unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action, epidemic, pandemic or other disease outbreaks, and unanticipated events related to health, safety and environmental matters), political risk (including the risk that the rights to mine a project may be rescinded by the government or otherwise lost), actual exploration results, social unrest, failure of counterparties to perform their contractual obligations, changes in general economic conditions or conditions in the financial markets and other risk factors as detailed from time to time in the Company's reports and public filings with the Canadian securities administrators, filed on SEDAR. The Company does not assume the obligation to revise or update forward-looking information after the date of this document nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

## BUSINESS OF THE COMPANY

The principal business of the Company is uranium mineral exploration in the Athabasca Basin region of northern Saskatchewan. The main focus of its work is the exploration of the 200,677 hectare Genesis uranium project located northeast of the Athabasca Basin, within the Wollaston-Mudjatk Transition Zone ("WMTZ"). All of Saskatchewan's operating uranium mines occur along the WMTZ where it extends to the southwest under the boundaries of the basin.

The Company is a reporting issuer in British Columbia, Alberta, and Ontario, and trades on the TSX-Venture Exchange under the symbol REL.

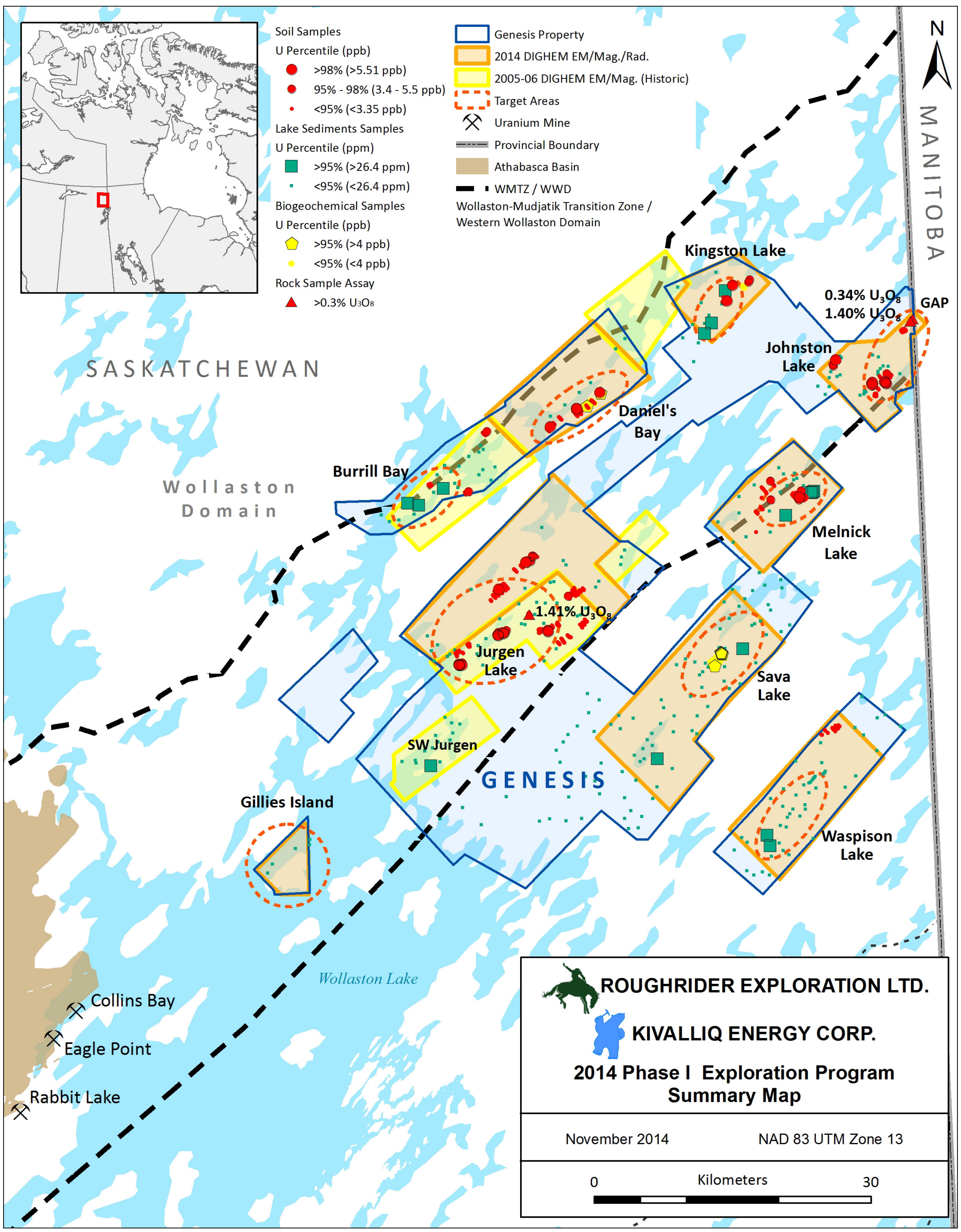
### Genesis Property

Roughrider has an agreement with Kivalliq Energy Corp, ("Kivalliq") under which Roughrider may earn up to an 85% interest in Kivalliq's "Genesis" uranium project (the "Genesis property"). Under the terms of the option agreement, as amended December 22, 2015 (the "Genesis Property Option Agreement"), the Company may earn an initial 50% interest in the Genesis property by making cash payments of $700,000 ($525,000 paid), incurring exploration expenditures of $2.1M ($1.7M expended), and issuing 3,939,656 common shares (1,969,828 issued). Roughrider may acquire a further 35% interest (for an aggregate 85% interest) by making additional cash payments of $700,000, and incurring additional exploration expenditures of $2.5M. All remaining cash payments may be made either in cash or in shares, at Roughrider's election.

The Genesis property is located northeast of Saskatchewan's Athabasca Basin, and within the prospective Wollaston-Mudjatk Transition Zone. Notably, where the WMTZ extends beneath the cover of the rocks of the younger Athabasca Basin, it hosts every one of Canada's operating uranium mines. The Genesis property is comprised of 56 mineral claims, totalling 200,909 hectares (496,457 acres). The claims begin 25 km to the northeast of Cameco Corporation's recently closed Eagle Point uranium mine, and extend 90 kilometres northeast to the Manitoba border along this prospective geological and structural domain.

Until recently, explorers focused on targeting uranium mineralization within the current boundaries of the Athabasca Basin, even though many of the high-grade resources are located within basement rocks lying beneath the rocks of the basin. Recent discoveries, such as Fission Uranium Corp.'s Patterson Lake South (the RRR deposit), which is hosted by basement rocks that are clearly outside current basin boundaries, have renewed interest in exploration of areas outside of the basin, having known uranium showings and favorable structural settings within basement host rocks.

The Genesis property covers regional host rocks known to host uranium mineralization. The project area has previously been explored by Denison Mines Limited, Roughrider Uranium Corp., Triex Minerals Corporation, CanAlaska Uranium Ltd., and the geological surveys of Saskatchewan and Canada. Past exploration included lake sediment and soil geochemical surveys, airborne geophysical surveys, ground radiometric surveys, geological mapping and prospecting. A compilation by Kivalliq management of this historic work, which outlined 30 uranium showings and several known uranium-bearing boulder trains, helped to outline eight target areas that display multi-variant anomalism including combinations of geophysical conductors and/or existing lake sediment, boulder or outcrop uranium or indicator element geochemical anomalies.



With its partner Kivalliq, Roughrider used a multi-disciplinary approach when developing the first phase exploration program. The initial program was designed to identify high priority targets for a future drill program, and also to suggest a number of secondary targets for further follow-up exploration. A property-wide lake sediment geochemical survey was undertaken in conjunction with airborne electromagnetic (“EM”), magnetic and radiometric geophysical surveys, and various combinations of grid-controlled soil geochemical sampling and orientation biogeochemical sampling, mapping and prospecting in the eight selected target areas. Exploration fieldwork for the 2014 Phase 1 program started on July 18th and was completed September 10, 2014.

Preliminary results from the 5,984 line-kilometres of airborne geophysics helped to refine targets during the field work. The 2014 Phase I field work program was successful in isolating six priority areas based on repeated and expanded geochemical/biogeochemical anomalies, and favourable geology in association with discrete electromagnetic geophysical conductor signatures. In the Athabasca region, EM conductors often represent graphitic horizons in pelitic rocks that are a common host for uranium mineralization. Breaks in the general EM and magnetic trends in conjunction with elevated geochemistry may indicate structural disturbances that can be important to uranium mineralization emplacement. The six priority areas include the following: Jurgen 1 and Jurgen 2, Johnston Lake/GAP, Kingston Lake, Sava Lake, and Daniel’s Bay (Burrill Bay area).

In addition, during 2014 the Company added seven claims totaling 1,941 ha to the Genesis property through a combination of purchase, property exchange and staking in both Saskatchewan and Manitoba. These seven claims are all in the Johnston Lake/GAP priority area and are contiguous with existing Genesis property claims. At the end of 2014, the Genesis property comprised a total of 200,677 hectares (495,883 acres).

In March 2015, Roughrider completed a winter field program on the Jurgen 1 and Jurgen 2 areas and the Sava Lake biogeochemical anomaly area. This program was designed to further investigate positive results from the 2014 summer work program; in particular, preliminary enzyme leach soil results from grids established above prominent DIGHEM EM conductors at Jurgen 1 and Jurgen 2 and multi-element biogeochemical anomalies at Sava Lake.

During the 2015 winter program, 545 biogeochemical samples were collected and 69.2 line kilometres of ground magnetic and Very Low Frequency Electromagnetic (VLF) geophysical survey work covered geochemically anomalous areas coincident with priority airborne EM conductors.

Jurgen 1 remains a compelling target demonstrating good spatial correlation between:

1) the highest uranium results from the 2015 biogeochemical program;
2) the highest uranium results from the 2014 enzyme leach soil sampling program (see news release December 1, 2014); and
3) the main Jurgen 1 EM conductive trend.

At Jurgen 2, the VLF-EM survey suggests a possible structural feature that disrupts the EM conductors mapped. Biogeochemical results anomalous for uranium at Jurgen 2 show a more subtle correlation to both the 2014 enzyme leach soil sample results and the airborne EM conductors targeted, but seem to extend to the Jurgen 1 conductor that passes through the south portion of the grid.

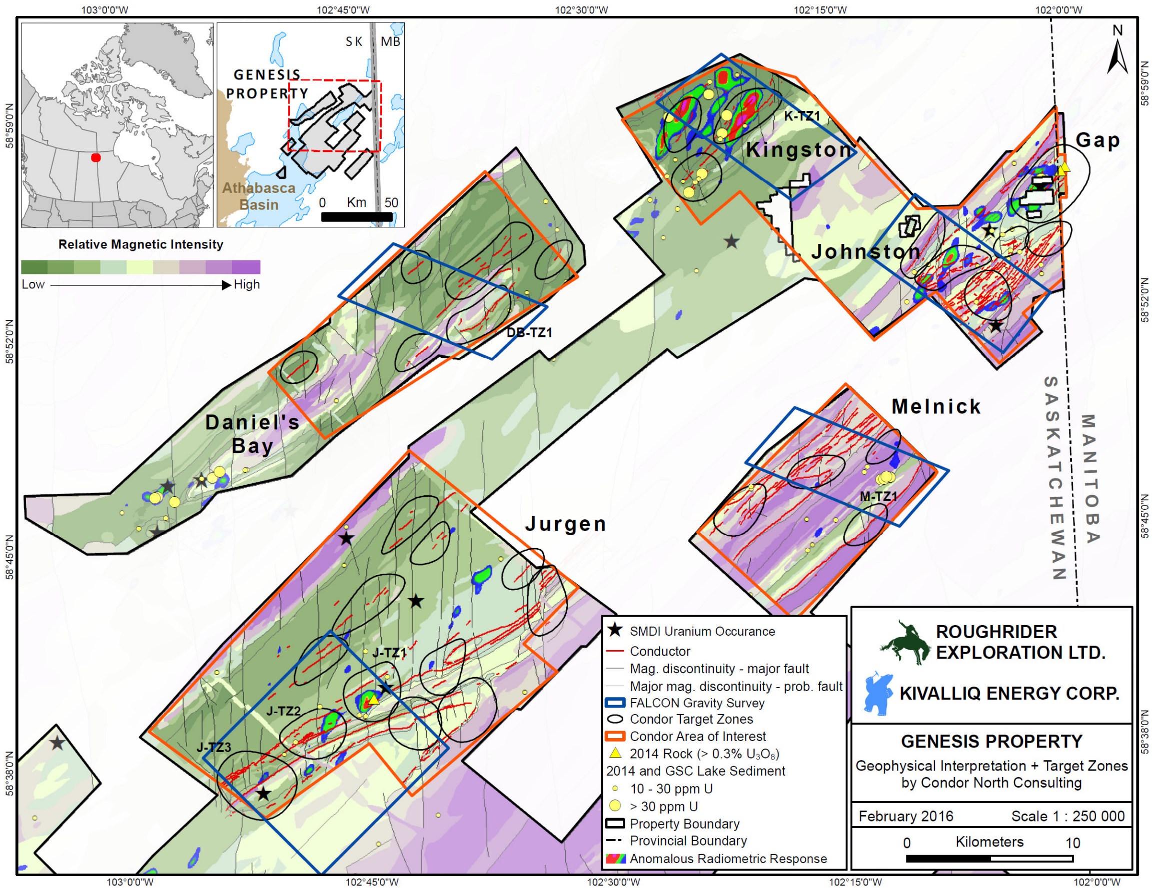
At Jurgen 1, eight of 249 samples returned values above the 98th percentile for uranium and twenty-one samples returned values above the 95th percentile. The three highest uranium values from the 2015 program were from samples coincident with the main Jurgen 1 conductor; 1.35ppm U, 1.64ppm U and 1.75ppm U. At Jurgen 2, eight of 296 biogeochemical samples returned values above the 95th percentile for uranium. The highest uranium value on the Jurgen 2 grid was 1.26ppm U.

In December 2015, Roughrider took delivery of an integrated assessment of geophysical, geological and geochemical data from select areas of interest at the Genesis uranium property in northeast Saskatchewan. The work was undertaken by Condor Consulting Inc. ("Condor"), recognized experts in the field of integrated exploration.

The 2015 compilation and interpretation carried out by Condor focused on four areas in the northeast portion of the Genesis property: Jurgen, Daniel's Bay, Kingston-Johnston-GAP and Melnick. Within these four areas, thirty-one individual target zones have been identified, of which sixteen will be evaluated as part of the recently completed FALCON Airborne Gravity Gradiometry survey (see news release February 1, 2016). Four of Condor's highest priority target zones that fall within the gravity survey area are:

- **Jurgen** (J-TZ1): Electromagnetic (EM) conductors are spatially associated with an elevated radiometric response and an anomalous boulder sample result (1.41% $U_3O_8$; reported December 1, 2014). The Jurgen area remains the most prospective on the property, hosting 12 of the 31 target zones, including J-TZ2 (Jurgen 2) and J-TZ3 (Jurgen 1);
- **Kingston** (K-TZ1): EM conductors trend along a regional geologic contact that is also coincident with a magnetic low, and lake sediments having anomalous uranium and several anomalous radiometric responses;
- **Daniels Bay** (DB-TZ1): Enzyme leach soil and rock geochemical anomalies are spatially associated with medium to strong northeast to east-west trending EM conductors and a magnetic domain boundary;
- **Melnick** (M-TZ1): A north-south strike-slip fault intersects a conductive contact along the boundary of a low magnetic response, coincident with a trend of uranium in lake sediments.

In its 2015 assessment of the Jurgen, Kingston/Johnston/GAP, Daniel's Bay and Melnick areas, Condor conducted comprehensive processing and analysis of airborne surveys flown over Genesis in 2006, 2007 and 2014 (VTEM by Geotech and magnetics, DIGHEM EM, radiometrics by Fugro). Multiple other data sets that include recent and historic radiometric, soil, vegetation and boulder sampling were also incorporated in the interpretation. Condor's work resulted in a detailed "GeoInterp" which will be used for future geological and structural interpretation.




<u>Other Roughrider Properties</u>

Roughrider holds seven other properties that the Company staked itself. These claims are not part of the Genesis property and are 100% owned by Roughrider. The properties were selected based on a variety of parameters, including proximity to known mineralization, historic occurrences, favourable geology, lake sediment geochemistry and geophysics.

- Mozzie Lake property is comprised of two claims totalling 4,098 ha roughly 25 km north of the Athabasca Basin contact in the Black Lake area. The Mozzie Lake uranium prospect occurs within the Mudjatik Domain and has been demonstrated to include intersections of up to 38.1 metres apparent width of 0.08% $U_3O_8$ (1968 core hole DDH68-20A-02) Mozzie Lake was the subject of a very focused 19 hole diamond drill program in 1967-68.

- The Fire Eye Lake property consists of a single claim of 2,662 ha located 65 kilometres southwest of the Genesis property along the south margins of the Wollaston Domain, and produced historic grab sample results of 0.34%, 0.27%, 0.08% and 0.03% $U_3O_8$.
- Knoke Lake (1,239 ha), Walker Creek (three claims; 2,298 ha), Laverdiere Creek (one claim, 376 ha) and Douglas River properties (seven claims totaling 4,865 ha) make up the remaining Roughrider properties.

**Claim Transfer**
On August 11, 2015, Roughrider transferred 100% of the title in mineral dispositions S111916 and MC1246 to Kivalliq, subject to the terms of the Area of Interest clause of the Genesis Property Option Agreement. The claims are contiguous with the Genesis Property claims and comprise 34.8 hectares and 1556.8 hectares respectively in the Johnston Lake-GAP priority area.

**Section 75 Assessment Expenditure Relief:**
On August 20, 2015 the Saskatchewan Ministry of Economy granted Kivalliq, on behalf of Roughrider, one full year of relief from its 2015 annual assessment work expenditure requirements for the majority of the Genesis Property. The relief was granted for 49 Genesis Property claims named in the application, covering a total of 200,450 hectares, representing $3,006,746 in expenditure relief.

The relief was granted, subject to Section 75(1) of the Saskatchewan Mineral Tenure Registry Regulations (the Regulations), because of the severe forest fire hazard that existed throughout northern Saskatchewan in 2015 that seriously hampered efforts to conduct a summer field work program. Claim S111916 was not included in the application; comprising only 34.8 hectares, S111916 is in good standing up to 2034.
The roughly $250,000 of assessment work completed by Roughrider in March and December of 2015 will not be eligible for assessment credit, based on the terms of Section 75 of the Regulations.

HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2016

**Financial Highlights**

Roughrider closed the six month period spending $86,500 on exploration, while restricting overall net expenses for the quarter to $243,050.

On February 1, 2016, the Company closed a private placement consisting of 1,035,147 units priced at $0.07 for gross proceeds of $72,460. Each unit consisted of one common share and one warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.12 per share until February 1, 2018.

On February 1, 2016, the Company also issued 250,000 stock options to a director of the Company. These stock options are exercisable at a price of $0.12 until February 1, 2021.

On May 30, 2016, the Company acquired Saskatchewan Mineral Dispositions MC2080, MC2081 and MC2082 in exchange for 75,000 shares valued at $9,000 and a 2% Net Smelter Returns ("NSR") royalty on the three mineral dispositions. The NSR may be reduced to 1% by the payment of $500,000 within six months of publishing a feasibility study incorporating the area covered by the licences.

**Operational Highlights**

Genesis Property

In February and March of 2016 a 1,677 line-kilometre fixed-wing FALCON airborne gravity gradiometer (AGG) survey was completed on the Genesis property by CGG Canada Services Ltd. Independent review of the data was provided by in3D Geoscience Inc. The AGG survey was divided into five survey grids to cover previously highlighted priority areas: Jurgen, Daniel's Bay, Melnick, Kingston and Johnston. Final deliverables were received on April, 8 2016.

In April 2016, the Company contracted Condor Consultants Ltd. to undertake an analysis and interpretation of the FALCON Airborne Gravity Gradiometry (AGG) survey completed on the Genesis property in February and March of 2016. See "Events Subsequent to the Quarter" section for further details.

On May 18, 2016, Roughrider acquired Saskatchewan Mineral Dispositions MC2080, MC2081 and MC2082 totalling 232 hectares. The claims were purchased from an arm's length party in exchange for the issuance of 75,000 common shares of Roughrider, and the creation of a 2% NSR on production from the area covered by the licences. The NSR may be reduced to 1% by the payment of $500,000 within six months of publishing a feasibility study incorporating the area covered by the licences.

On May 27th, 2016, Roughrider also announced that the non-brokered private placement announced April 7, 2016 has been withdrawn.

## OUTLOOK

### Financial outlook

The Company completed the first quarter of 2016 with working capital[1] of $113,611.

The current objectives of the Company are to continue exploring the Genesis uranium project with a view to fully earning the 85% interest under the option agreement; however this will require raising additional capital.

The Company's ability to continue as a going concern is dependent upon a number of factors – principally on the Company's ability to create positive cash flow in the short term either by obtaining the necessary financing to undertake additional exploration and development of its mineral property interests, by creating one or more additional joint venture agreements with partners in order to achieve the foregoing, or by selling one or more mineral property interests. The Company currently has sufficient working capital to meet its minimum contractual obligations to December 31, 2016 and beyond, however additional capital will be needed to continue exploring the Genesis property in 2016.

## EVENTS SUBSEQUENT TO THE QUARTER ENDED JUNE 30, 2016

On August 23, 2016, the Company announced the results of the integrated analysis of fixed-wing Falcon Airborne Gravity Gradiometer (AGG) and total field magnetic surveys. This analysis was performed over select areas of interest at the Genesis Property. And was undertaken by Condor Consulting Inc. ("Condor"), recognized experts in the field of integrated exploration.

A total of twenty gravity targets were identified and prioritized based on the integration of the 2016 AGG data with results from an earlier 2015 compilation by Condor (reported in a news release on February 16, 2016) of electromagnetic, magnetic, radiometric, geochemical, biogeochemical and geological data sets. The majority of the gravity targets were identified in the Jurgen and Johnston areas, with nine and seven targets respectively.

Gravity targets, including the two highest priority targets, are spatially associated with the Jurgen 1 and Jurgen 2 target zone corridor where previous work has identified anomalous uranium soil geochemistry, biogeochemistry, boulder samples and radiometrics coincident with multiple electromagnetic conductor trends.

Claims MC2080, MC2081 and MC2082 were transferred to Kivalliq, subject to the terms of the Area of Interest clause of the Genesis Property Option Agreement on August 9, 2016. The addition of these claims, located in the Johnston/GAP area, brought the total Genesis claim package to a total of 200,909 ha (496,457acres).

[1] Working capital, a non-GAAP-measure is defined as current assets net of current liabilities.

## DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

*Results of Operations*

During the quarter ended June 30, 2016, the Company contracted with a third party to provide compilation and analysis of the exploration results obtained thus far, in order to identify areas of greatest interest for further field-exploration on the Genesis property.

The Company had no source of revenue.

*Summary of Quarterly Results*

| Period ended | Revenues | Loss from Operations and Net Loss | Basic and Diluted Loss per Share from Operations and Net Loss per Share |
|---|---|---|---|
| June 30, 2016 | Nil | $ (142,186) | $ (0.01) |
| March 31, 2016 | Nil | (100,864) | (0.00) |
| December 31, 2015 | Nil | (150,187) | (0.01) |
| September 30, 2015 | Nil | (89,790) | (0.00) |
| June 30, 2015 | Nil | (153,427) | (0.01) |
| March 31, 2015 | Nil | (222,606) | (0.01) |
| December 31, 2014 | Nil | (435,643) | (0.05) |
| September 30, 2014 | Nil | $ (1,570,727) | $ (0.11) |

The variation in the Company's quarterly net loss over the past eight quarters is largely due to the increase in activity on July 16th, 2014 as a result of the Company completing its Qualifying Transaction. This was followed by an exploration program in September of 2014. In 2015, and 2016 the Company focused on minimizing costs, performing data analysis and other projects during the year to advance exploration in a few specific areas. During the quarters ended December 31, 2015 and June 30, 2016, the Company engaged a third party to provide compilation and analysis of the exploration results obtained thus far, in order to identify areas of greatest interest for further field-exploration.

During the quarter ended March 31, 2016, the Company concluded its Airborne Gravity Gradiometry survey on the Genesis property, however this activity did not impact financial results as Kivalliq funded the program under the terms of the option agreement.

*Three months ended June 30, 2016*

The loss for the quarter ended June 30, 2016 ("Q2-16") reflects the cost of the company's base expenditures with the addition of $46,646 in costs related to a data compilation and analysis project undertaken in the quarter. Quarterly expenditures decreased from $153,427 in Q2-15 to $142,186 in Q2-16. The Q2-16 loss is lower than in Q2-15 as a result of the savings in marketing and salaries and personnel costs.

Marketing costs have decreased by over 95% from Q2-15 to Q2-16, as part of the continued effort to cut costs.

*Six months ended June 30, 2016*

The loss for the six months ended June 30, 2016 ("H1-16") reflects the cost of the company's base expenditures with the addition of $46,646 in costs related to a data compilation and analysis project undertaken in the period. Half-year expenditures decreased from $376,033 in the six months ended June 30, 2015 ("H1-15") to $243,050 in H1-16. The H1-16 loss is lower than in H2-15 as a result of decreased exploration expenditures during H1-16, coupled with substantially reduced marketing costs. Exploration activities in the January to March 2016 were almost entirely funded by Kivalliq.

*Capital purchases*

The Company expended $400,934 in exploration property acquisition costs in 2015, with only $9,553 expended in the current period. A cash payment made as part of the Genesis Property Option Agreement represents the largest component of the 2015 acquisition costs.

There have been no purchases of plant or equipment to date.

*Liquidity, Capital Resources and Cash Flow Analysis*

The Company's primary source of funding has been from the issuance of common shares. Management is concerned about the Company's ability to raise additional funds amid the low uranium price, and the prevailing investment climate of risk aversion, particularly toward mining projects.

On February 1, 2016, the Company completed a financing, raising gross proceeds of $72,460. Coupled with the deferral of management salaries, these two initiatives partially covered the cash costs for the current period. The Company currently has sufficient working capital to meet its minimum contractual obligations to December 31, 2016 and beyond, however additional capital will be needed to continue with the active exploration of the Genesis property in 2016.

*Financial Instruments*

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial instruments. Credit risk is managed for cash by having a major Canadian bank hold the funds in a chequing account. Credit risk is managed for significant receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. Currency risk is negligible as all funds and payables are denominated in Canadian dollars. The Company does not engage in any hedging activities. Further discussion of these risks is available in the audited financial statements for the year ended December 31, 2015.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Significant components of general and administrative expenses are shown separately on the *Condensed Interim Statements of Loss and Comprehensive Loss,* also part of the unaudited condensed interim financial statements for the six months ended June 30, 2016.

## RISK FACTORS

*Macroeconomic Risk*

Impairments and write-downs of major mining projects have led to a significant reduction in "risk appetite" with respect to funding investment into exploration companies. As a result, the ability for exploration companies to access capital through private placements has been significantly diminished. The long term result of lower risk appetite is that projects take longer to develop, or may not be developed at all.

*Political Policy Risk*

Despite the recent moderation in the gold price, the previously record-high gold prices encouraged numerous governments around the world to look at ways to secure additional benefits from the mining industry across all commodity types, an approach recognized as "Resource Nationalism." Mechanisms used or proposed by governments have included increases to royalty rates, corporate tax rates, implementation of "windfall" or "super taxes," and carried or free-carried interests to the benefit of the state. Extreme cases in Venezuela and Argentina have resulted in the nationalization of active mining interests. Such changes are viewed negatively in the investment community and can lead to share price erosion, and difficulty in accessing capital to advance projects.

*Exploration Risk*

Mineral exploration and development involve a high degree of risk and few projects are ultimately developed into producing mines. There is no assurance that the Company's selected Qualifying Transaction will demonstrate exploration results sufficient to result in the definition of a body of commercial ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including environmental regulations.

*Financial Capability and Additional Financing*

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it. It is anticipated that further exploration and development of the projects will be financed in whole or in part by the issuance of additional securities by the Company. Although the Company has been successful in the recent past in financing its initial activities through the issuance of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan, particularly with ongoing uncertainty in the global financial markets, and the prevailing investment climate of risk aversion particularly in the resource sector. A discussion of risk factors particular to financial instruments is presented in the audited financial statements for the year ended December 31, 2015.

The Company has not commenced commercial mining operations and has no assets other than cash and cash equivalents, modest receivables and a small amount of prepaid expenses. The Company has no history of earnings, and is not expected to generate earnings or pay dividends until the company's exploration project is sold or taken into production.

*Commodity Prices*

The mineral industry varies with the price of metals. The prices of uranium, gold and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of commodities due to significant (often sovereign or national) purchases and divestitures, new mine developments, mine closures as well as advances in various production and use technologies of commodities. All of these factors will impact the viability of the Company's exploration projects in ways that are impossible to predict with certainty.

*Uranium Market*

Since uranium is used both as a fuel for power generation and as a weapon, its price is subject to unique forces in addition to the typical supply / demand tension impacting all commodities. These unique forces include the level of strategic government stockpiling or disposition, the level of effort being expended to cap the number of nuclear-armed states in the world, the public perception of the relative safety of nuclear power generation, and related government and international regulation. While these unique forces appear to have acted together in recent years to suppress the spot price of uranium, this risk may become an opportunity if those forces subside and the spot price of uranium continues to rise.

*Environment*

Both the exploration and any production phases of the Company's future operations will be subject to environmental protection regulations in the jurisdictions in which it operates. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect the Company or its future operations.

*Human Health*

The Company seeks to provide its employees with a safe and healthy workplace. The impact of highly contagious diseases, including the impact of a real or threatened pandemic, can be substantial both to individuals, and organizations. In the event of a disease outbreak, the Company may have to curtail or suspend operations for a period of time. Reduced operations could have varying impact on the Company, depending on the timing and duration of the incident and on other ancillary factors.

*Financial Instrument Risk*

As a result of its use of financial instruments, the Company is subject to credit risk, interest rate risk, currency risk, liquidity risk and other price risk. These risks are considered to be small. These risks are discussed comprehensively in the audited financial statements for the year ended December 31, 2015.

*Liquidity of Common Shares*

There can be no assurance that an active and liquid market for the Company's common shares will develop or continue to exist, and an investor may find it difficult to resell its common shares. In addition, trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

## RECENT ACCOUNTING PRONOUNCEMENTS

### Adoption of New Standards and Interpretations

The following amended standard is relevant to the organization and was first adopted for the Company's year ended December 31, 2016, but has had no material impact on the financial statements:

*IAS 1, Presentation of Financial Statements* amendment to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements, and the disclosure of accounting policies. These amendments will be effective for the Company's year ended December 31, 2016.

### Upcoming Changes in Accounting Standards

The following changes to standards are effective as follows:

<u>For the Company's year ended December 31, 2018:</u>

*IFRS 9, Financial Instruments:* This new standard replaces IAS 9 and describes the new requirements for the classification, measurement and de-recognition of financial assets and liabilities. Specifically, *IFRS 9* requires all recognized financial assets that are within the scope of *IAS 39 Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value.

*IFRS 15, Revenue from Contracts with Customers:* This new standard establishes a new control-based revenue recognition model which could change the timing of revenue recognition.

<u>For the Company's year ended December 31, 2019:</u>

*IFRS 16, Leases:* This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company is in the process of assessing the impact of the above new accounting pronouncements.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

## TRANSACTIONS WITH RELATED PARTIES

a) Legal services:
   In the six month period ended June 30, 2016, services valued at $8,000 (June 30, 2015 - $5,000) were received from Farris, a law firm for which one of the directors of the Company is a partner.

b) Key management personnel:
   Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors and corporate officers. For the period from January 1, 2016 to June 30, 2016, officers and a vice president of the Company were compensated with cash compensation of $132,000, included in salaries and in exploration expenses, (2015 – $127,000). During the same period, non-executive members of the Company's Board of Directors received no cash compensation, and one director was granted 250,000 stock options valid until February 1, 2021, exercisable at $0.12.

   As at June 30, 2016, $150,000 (2015 – $10,250) was owing to related parties, and has been included in accounts payable and accrued liabilities.

## OUTSTANDING SHARE DATA

The following section updates the Outstanding Share Data provided in the unaudited condensed interim financial statements for the six months ended June 30, 2016. Each of these subsequent events is more fully described in Note 9 to the unaudited condensed interim financial statements for the six months ended June 30, 2016.

| | |
|---|---|
| Common Shares: | |
| Shares outstanding at June 30, 2016 and August 26, 2016 | 24,153,929 |
| Stock Options: | |
| Options outstanding at June 30, 2016 and August 26, 2016 | 2,200,000 |
| Warrants: | |
| Warrants outstanding at June 30, 2016 and August 26, 2016 | 8,598,460 |
| Share payments required to complete existing option agreements: | |
| to complete the earn-in of the initial 50% interest in the Genesis property, due on or before August 31, 2016 | 1,969,828 |

## APPROVAL

David W. Tupper, P.Geo., V.P. of Exploration and a Qualified Person under National Instrument 43-101 has reviewed and approved the technical information contained in this document.

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

## ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com