MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF BUSINESS

The Board of Directors of Royal Sapphire Corp. (the "Company" or "Royal Sapphire") is pleased to present to its shareholders a summary of the Company's activities for the quarter ended February 28, 2017, and any other pertinent events subsequent to that date up to and including May 1, 2017.

The following information should be read in conjunction with the February 28, 2017 unaudited condensed interim financial statements and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and IAS 34 Interim Reporting.

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario. The Company's principal business activity is the identification and evaluation of mineral resource assets.

The head office, principal address, records office, and registered address of the Company is located at 1199 West Hasting Street, Suite 800, Vancouver, British Columbia, V6E 3T5.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The Company was incorporated in March 2011 and began operations immediately.

Lorn Property

In March 2011, the Company optioned the Lorn Property and conducted a phase one exploration program which resulted in the discovery of several new anomalies and areas requiring further exploration. As a result the Company engaged an independent expert to prepare a 43-101, and based on the recommendations contained in this report, management determined it was time to seek an initial public listing.

The Company's prospectus was receipted in April 2012 and re-filed and receipted on October 22, 2012. The Company commenced trading on the TSX-V exchange on November 9, 2012.

In November 2013, management decided to pursue the acquisition of an Ontario company that had rights to certain claims and other assets related to tin mining in Rwanda. The Company and the target company continued to pursue these assets and hoped to have Rwandan government approval of an exploration license and regulatory approval of the transaction. The Company decided to suspend activities related to the proposed acquisition and has re-focused its efforts on the Lorn Property.

On February 27, 2015, The Company entered into an amendment agreement further amending the terms of its original Lorn Property Agreement, under the terms of which, John A. Chapman and KGE Management Ltd. (the "Optionors") granted the Company an option to acquire a 100% interest in the Lorn Property. Under the terms of the amendment agreement, certain due dates of cash payments, exploration expenditures, share issuances and advance royalty payments have been extended. As a result of the amendment agreement, the Company was no longer in default of the terms of the Lorn Property Agreement, as previously amended, and the Company's option has returned to good standing.

Prior to entering into the February 27, 2015 amendment agreement, the Company had completed a total of $210,000 in exploration expenditures on the Property, paid $35,000 in cash payments to the Optionors and issued 8,000 shares to the Optionors. In order to exercise its option, the Company must complete the following remaining exploration expenditures, cash payments and share issuances:

Due Date	Exploration Expenditures	Cash Payments	Share Issuances
December 31, 2016	$60,000	$45,000	17,000
December 31, 2017	$2,300,000	$55,000	12,000
Total	**$2,360,000**	**$100,000**	**29,000**

On July 30, 2015, the Company entered into an earn-in agreement with Kin Resources Inc. ("Kin"), whereby the Company agreed to assign to Kin up to 50% interest in the mineral claims in the Lorn Block Property. To earn up to 50% interest, Kin is required to incur, make cash payments and issue common shares to the original optionor by the following dates:

Date	**Exploration amount**	**Cash**	**Common shares**
December 31, 2016	$30,000	$22,500	8,500
December 31, 2017	$1,150,000	$27,500	6,000

In addition, Kin is required to issue additional 30,000 common shares to the optionor upon completion of a feasibility study.

The Company was unable to meet the terms of the amended Agreement, and as a result, the Company has written off all previously capitalized costs related to the Lorn Block Property during the year ended November 30, 2016.

Yukon Property

On March 27, 2015, the Company acquired an undivided 100% interest in 10 mineral claims located in the Yukon Territories, Canada in consideration for 150,000 common shares (issued) of the Company from North of Sixty Ventures Inc. During the year ended November 30, 2016, the Company decided it would no longer pursue exploration of the Yukon Gold Property and as a result wrote-off all previously capitalized costs.

SELECTED ANNUAL INFORMATION

	November 30, 2016	November 30, 2015	November 30, 2014
Total income	$Nil	$Nil	$Nil
Net loss	$357,257	$256,457	$288,416
Net loss per share, basic and diluted	$(0.22)	$(0.16)	$(0.19)
Total assets	$26,332	$48,878	$8,990
Total long-term debt	$Nil	$Nil	$Nil
Cash dividends	$Nil	$Nil	$Nil
Reporting basis	IFRS	IFRS	IFRS

The November 30, 2016 year end has higher net loss compared to November 30, 2015 year end mainly due to the increase in management fees of $224,000 and increase in write-off of exploration and evaluation of assets of $49,128, offset by the decrease in professional fees of $27,113, decrease in consulting fees of $90,400 and decrease in rent of $45,000.

The November 30, 2015 year end has lower net loss compared to November 30, 2014 year end mainly due to the decrease in management fees of $34,000, decrease in property investigation costs of $11,410 and increase of professional fees by $19,433.

SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	2/28/17	11/30/16	08/31/16	05/31/16	02/29/16	11/30/15	08/31/15	05/31/15
Net sales	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Loss for the period	$ (43,635)	$(295,216)	$ (23,502)	$ (22,835)	$ (15,704)	$ (29,118)	$ (67,810)	$ (88,385)
Basic and diluted loss per share	$ (0.03)	$ (0.18)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.04)	$ (0.06)
Total assets	$ 28,474	$ 26,332	$ 64,271	$ 63,134	$ 36,377	$ 48,878	$ 38,282	$ 34,034
Long-term liabilities	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Cash dividends	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil

Comparing the first quarter of the 2017 and 2016, the Company's increase in net loss is mainly due to the increase in consulting fees.

Comparing the fourth quarter of the 2016 and 2015, the Company's increase in net loss is mainly due to the increase in write-off of evaluation and exploration assets and increase in management fees.

Comparing the second quarter of the 2016 and 2015, the Company's decrease in management expenses and consulting fees are directly related to the resignation of a director.

Comparing the fourth quarter of the 2015 and 2014 year, the Company's decrease management expenses and increase in consulting fees are directly related to the resignation of a director. While the director resigned, additional personnel were hired for management services. An increase in professional fees when compared to the same quarter of 2015 and 2014 is a result of the Company entering into mineral property acquisition agreements. During the 2015 year end, 5,000 shares were issued for the Lorn property and 150,000 shares were issued for the Yukon property.

The 2015 first three quarters increase in total assets is due entirely to a loan from the former CEO of the Company in February of 2015. This loan is used to finance the Company and pay for expenses as it undergoes the process of becoming a US listed entity.

On July 27, 2015, the Company has assigned 50% of its option to earn a 100% interest in the Lorn mineral claim to Kin Resources Inc. on the following terms:

Date	Exploration costs	Cash payments	Share payments
On or before:			
December 31, 2016	$30,000	$22,500	8,500
December 31, 2017	$1,150,000	$27,500	6,000

LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and of negative cash flows from operations. While management identifies projects of merit for acquisition, the Company will remain reliant on capital markets for future funding to meet its ongoing obligations**.**

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

RELATED PARTY TRANSACTIONS

The remuneration of key directors and other members of key management personnel during the period ended February 28, 2017 and February 29, 2016 is summarized below:

Services rendered to the Company		**2017**		**2016**
To BridgeMark Financial Corp., a Company controlled by an officer, for professional fees	$	7,500	$	7,500
	$	7,500	$	7,500

The transactions noted above were measured at exchange amounts which were agreed upon by the transacting parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

		February 28, 2017		**November 30, 2016**
Accounts payable and accrued liabilities	$	115,534	$	107,659

Accounts payable and accrued liabilities as of February 28, 2017 due to related parties are comprised of:

- $76,125 to BridgeMark Financial Corp., a company controlled by a director of the Company, for professional fees.
- $26,250 to Bryce A. Clark & Associates, a company controlled by a former director of the Company, for management fees.
- $13,159 to Greg Amor, a former officer of the Company, for management fees and expenses paid on behalf of the Company.

FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions.

Foreign Exchange Risk

The Company currently does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 11 of the accompanying unaudited condensed interim financial statements of the Company.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

	<1 year $	**1 – 3 Years $**	**Total $**
Accounts payable	649,549	-	649,549
Loans payable	133,500	-	133,500

Commodity Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Fair Value Measurements

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:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. As at February 28, 2017, the Company believes that the carrying values of accounts payable and loan payable approximate its fair value because of their nature and relatively short maturity dates or durations.

ACCOUNTING POLICIES

Accounting standards adopted during the period

There were no new or amended accounting standards relevant to the Company scheduled for mandatory adoption on December 1, 2015 and thus no new accounting standards were adopted during the period ended February 28, 2017.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning December 1, 2015 or later years.

The following standards will be adopted by the Company effective December 1, 2016:

IAS 1 Presentation of Financial Statements – In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgement in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following standards will be adopted by the Company effective December 1, 2018:

IFRS 9 Financial Instruments - The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 Shared-Based Payments - In June 2016 the Board issued the final amendments to IFRS 2 which amended (a) the effects that vesting conditions have on the measurement of a cash-settled share-based payment; (b) the accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled; and (c) classification of share-based payment transactions with net settlement features.

IFRS 16 Leases - IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

LEGAL MATTERS

None outstanding.

DISCLOSURE CONTROLS AND PROCEDURES

As at February 28, 2017, the Company carried out an evaluation of the effectiveness of its disclosure controls and procedures as required by Canadian securities laws. Based on this evaluation, management has concluded that the Company's disclosure control and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Company has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada.

The Company has a limited number of employees and therefore internal controls that rely on segregation of duties are not possible in some cases. In these instances, the Company relies on senior management review and approval to ensure that the controls are as effective as possible.

This Management Discussion and Analysis contains several forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, which are at very early stages, the following risk factors, amongst others, will apply:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that any future exploration programs will result in the establishment or expansion of resources or reserves.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing any future mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Financing

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. Currently, the Company does not have sufficient funds on hand to continue operating for the next twelve months as they have previously been and will need to obtain additional financing. The Company has no formal credit facilities at this time and given the Company's current stage of development, it is not expected that such credit facilities would be available to the Company.

Future exploration, development, mining, and processing of minerals from any of the Company's future properties will require substantial additional financing. The only current sources of funds available to the Company are the sale of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

On June 20, 2016, the Company announced its plans to offer, on a private placement basis, up to 8,500,000 shares at a price of $0.035 per share for total proceeds of up to $297,500. The Company has terminated its previously announced offering (news releases dated October 1, 2015, November 5, 2015, and January 6, 2016).

The Company plans to use the proceeds for the following purposes:

- Exchange continued listing fees - $5,460.00;
- Exchange private placement fees - $1,487.50;
- Non-related party accounts payable - $100,000.00;
- Exploration and payments on the Lorn Property - $100,000.00; and
- Unallocated working capital - $90,552.50

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Management believes the Company's overall liquidity risk has increased from the prior year due to the current global credit crisis and lack of financing available in the equity markets.

Difficulties in Raising Development Capital

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its capital requirements to pursue the acquisition and exploration of any significant mineral projects or to secure its share of development financing following a decision to place any of its current or future mineral properties into production (whether on its own or on a joint venture basis).

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delay or failure to obtain such licenses and permits or failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Concessions under Agreements

In the junior natural resource industry, it is typical for companies to enter into option agreement which allow the optionee to acquire the property over time while performing initial exploration activities. If the Company continues to enter into these types of agreements, the Company may have to make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title Matters

Often, the mining claims in which the Company could acquire an interest in have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims would not be converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement.

Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, first nation's land claim or transfers of land claims and titles which may be affected by undetected defects.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Share Price Volatility

There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Fluctuation of Metal Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Subsequent Events

On April 21, 2017, the Company closed its previously announced on private placement offering issuing 10 million units at a price of 5.25 cents per unit for total proceeds of $525,000. Each unit consists of one common share of the company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at seven cents per share for a five-year period from the date of issuance.

The securities issued under the private placement will be subject to a hold period expiring four months and one day from the date of issuance.

MANAGEMENT CHANGES

On February 7, 2017, the Company announced that Bryce Clark has resigned as the Company's chief executive officer.

On February 21, 2017, the Company announced that the news release disseminated on February 7, 2017 was disseminated as a result of clerical error. Brendan Purdy has not been appointed to any director of officer positions. The Company is pleased to announce that the Board of Directors of the Company has approved the appointment of Navraj Pannu as director and Chief Executive Officer. The appointment of Mr. Pannu was to fill officer and director vacancies caused by the resignations of Bryce Clark as Chief Executive Officer and as a director and the resignation of Mike Blady as a director.

Additional information is available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and Administrative Costs

		For the three month period ended February 28, 2017		**For the three month period ended February 29, 2016**
EXPENSES				
Consulting	$	30,000	$	100
Interest expense		-		1,417
Office		38		41
Professional fees		7,500		8,230
Transfer agent and filing fees		6,097		5,916
NET LOSS AND COMPREHENSIVE LOSS		(43,635)		(15,704)
LOSS PER SHARE, basic and diluted	$	(0.03)	$	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		1,685,176		1,667,176

As of the date of this Management Discussion and Analysis

SCHEDULE OF SHARE CAPITAL	
Common shares outstanding	11,685,176
Options outstanding	-
Warrants outstanding	10,000,000
Fully diluted share capital	21,685,176