

Xander Resources Inc.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the three months ended June 30, 2016

August 26, 2016

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Xander Resources Inc. (the "Company"), and should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended March 31, 2016, copies of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF COMPANY'S BUSINESS

Xander Resources Inc. is a junior mineral resource exploration company with its head office in Vancouver, British Columbia, Canada. The Company was incorporated pursuant to the Business Corporations Act of British Columbia on December 9, 2010. The Company's principal business is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

On September 25, 2014, the Company announced the closing of its Offering through its agent, Wolverton Securities Ltd, of 3,700,000 common shares for gross proceeds of \$550,000. On September 25, 2014, the TSX Venture Exchange also accepted the listing of 9,308,924 common shares in the capital of the Company under the symbol XND.

The gross proceeds of \$550,000 were used for exploration program for the Hot Property, fees associated with the offering and listing, management fees, general administrative fees, legal and audit fees, and regulatory fees. The proceeds will also be used to fund anticipated future negative cash flow, and could be used to complete a portion of the Phase 2 program for the Hot Property. Phase 2 is contingent upon favourable results from the Phase 1 work program, and would include extension of the previous geochemical and geophysical surveys and diamond drilling, and is expected to cost \$490,000. The unallocated working capital would be adequate for only one additional year of its budgeted expenses. If the results of the Phase 1 exploration program are not favourable, the Company anticipates that it would have to raise additional funds to acquire and explore another property.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

OVERALL PERFORMANCE

MINERAL INTERESTS

On February 14, 2011, the Company entered into the Hot Agreement to acquire a 100% undivided interest in seven mineral tenures (consisting of 118 claims) situated in the province of British Columbia. The Hot Agreement was amended on June 3, 2011 (the "First Amendment") to add three additional tenures owned by a director, John Ostler.

In order to keep the right and option granted to the Company respecting the Property in good standing, the Company must do the following,

- a) pay to the Optionors \$15,000 (paid), upon signing the agreement;
- b) issue to the Optionors 150,000 common shares (issued on September 25, 2014 and valued at \$22,500) of the Company, upon the Company having been listed and called for trading on the Exchange;
- c) on the first anniversary date (September 25, 2015) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares (issued on July 31, 2015 and valued at \$36,000); and
- d) on the second anniversary date (September 25, 2016) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares.

On September 25, 2014, the Company's common shares are listed for trading on the Exchange, and issued 150,000 common shares to fulfill the agreement. The Company issued 50,000 of the 150,000 common shares to the director, John Ostler.

During the year ended March 31, 2015, the Company incurred a total of \$87,811 for survey related expenditures, which consist of geophysical surveying fees of \$63,500, fuel fees of \$2,200, mobilization, set-up calibration and report fees of \$2,500, office expenses of \$111, and other consulting related fees of \$19,500. Based on the survey report, the results were consistent with the previous reported data and interpretation.

On May 29, 2015, the Company entered into an agreement with Equity Exploration Consultants Ltd. ("Equity") concerning work to be undertaken by Equity on the Hot Property. The contemplated work program will consist of geological mapping, prospecting, and rock and soil sampling. During the year ended March 31, 2015, the Company incurred geological consulting and filing fees of \$38,723, laboratory fees of \$6,426, and other ground-work and surveying costs of \$29,529.

Pursuant to the Hot Property option agreement, the Company issued to the Optionors 150,000 common shares of the Company on July 31, 2015, of which include 50,000 common shares to a director of the Company.

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RESULTS OF OPERATIONS

The Company had net and comprehensive loss of \$19,449 for the three months ended June 30, 2016 (2015 – \$14,326). The Company's expenses included the following:

- Management fees of \$10,500 (2015 - \$10,500) consist of payments made to the CEO and CFO of as discussed under the heading "Related Party Transactions".
- Office and miscellaneous of \$95 (2015 - \$115) relate to expenses paid for administration and support.
- Professional fees of \$6,057 (2015 - \$2,130) consist of legal fees in connection with legal advice and guidance for the operations of the Company and its compliance, and accounting fees for the Company's financial recording and reporting activities.
- Transfer agent and filing fees of \$2,797 (2015 - \$1,581) relate to expenditures in connection with share capital activities and reporting of the Company.

SUMMARY OF QUARTERLY RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

<i>Three months ended</i>				
	30-Jun-16	31-Mar-16	31-Dec-15	30-Sep-15
Net and comprehensive loss	\$ (19,449)	\$ (27,138)	\$ (20,536)	\$ (21,906)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

<i>Three months ended</i>				
	30-Jun-15	31-Mar-15	31-Dec-14	30-Sep-14
Net and comprehensive loss	\$ (14,326)	\$ (9,539)	\$ (16,797)	\$ (219,240)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)

The decreased comprehensive loss in the quarter ended December 31, 2014 compared with the quarter ended September 30, 2014 was primarily due to expenses associated with the initial public offering incurred in the quarter ended September 30, 2014.

The decreased comprehensive loss in the quarter ended March 31, 2015 compared with the quarter ended December 31, 2014 was primarily due to reclassification of share issuance costs of \$19,760.

The increased comprehensive loss in the quarter ended June 30, 2015 compared with the quarter ended March 31, 2015 was primarily due to reclassification of share issuance costs of \$19,760 incurred in the quarter ended March 31, 2015.

The increased comprehensive loss in the quarter ended September 30, 2015 compared with the quarter ended June 30, 2015 was primarily due to increase in accounting fees of \$7,940 for financial reporting and tax filing, and increase in legal fees of \$1,735 in the quarter ended September 30, 2015.

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The decreased comprehensive loss in the quarter ended December 31, 2015 compared with the quarter ended September 30, 2015 was primarily due to decrease in accounting fees of \$2,000 for financial reporting in the quarter ended December 31, 2015. Other expenditures, such as legal fees and transfer agent and filing fees, increased in the quarter ended December 31, 2015.

The increased comprehensive loss in the quarter ended March 31, 2016 compared with the quarter ended December 31, 2015 was primarily due to increase in transfer agent and filing fees of \$5,319 and increase in accounting fee of \$8,000 for yearend financial reporting incurred in the quarter ended March 31, 2016. Other than these, there were no other significant changes between the two quarters.

The decreased comprehensive loss in the quarter ended June 30, 2016 compared with the quarter ended March 31, 2016 was primarily due to decrease in accounting fees of \$3,000 incurred in the quarter ended June 30, 2016. Other expenditures were comparable and no other significant changes were made between the two quarters.

LIQUIDITY AND CAPITAL RESOURCES

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings and financial support from related parties to support current and future expenditures. As at June 30, 2016, the Company had net working capital of \$103,333 (March 31, 2016 – \$114,014) and a cumulative deficit of \$598,357 (March 31, 2016 - \$578,908). The cash component of working capital as at June 30, 2016 was \$130,120 (March 31, 2016 - \$144,490). As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration on the Hot Property and address costs associated with the Offering and ongoing compliance expenses.

As at June 30, 2016, there were 9,609,936 issued and fully paid common shares.

During the three months ended June 30, 2016, the Company issued 58,456 common shares at \$0.15 per share for proceeds of \$8,768 for agent warrants exercised. Upon exercise, the fair value of \$7,884 was reallocated from warrant reserve to share capital.

Share transactions for the year ended March 31, 2016:

On July 31, 2015, the Company issued 150,000 common shares at \$0.24 per share pursuant to the Hot Property agreement.

During the year ended March 31, 2016, the Company issued 91,056 common shares at \$0.15 per share for proceeds of \$13,658 for agent warrants exercised. Upon exercise, the fair value of \$12,280 was reallocated from warrant reserve to share capital.

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Shares in escrow

As of the date this report, the Company had 9,609,936 common shares including 1,068,040 common shares held in escrow.

Number of shares in escrow	Shares released from escrow	Escrow share balance	Release date
2,373,424	(237,342)	2,136,082	September 25, 2014
2,136,082	(356,014)	1,780,068	March 25, 2015
1,780,068	(356,014)	1,424,054	September 25, 2015
1,424,054	(356,014)	1,068,040	March 25, 2016
1,068,040	(356,014)	712,026	September 25, 2016
712,026	(356,014)	356,012	March 25, 2017
356,012	(356,012)	-	September 25, 2017

The shares in escrow are to be released in equal tranche of 356,014 shares every six months.

Detailed discussions related to the Company's cash flows

Three months ended June 30, 2016 and 2015

Cash balances decreased by \$14,370 during the three months ended June 30, 2016 (2015 – 85,639).

During the three months ended June 30, 2016, cash used in operating activities was \$23,138 compared to cash provided by operating activities of \$78,229 during the three months ended June 30, 2015. The decrease in cash used in operating activities is primarily attributed to cost reduction associated with the exploration and evaluation.

Cash used in investing activities during the three months ended June 30, 2016 was \$Nil (2015 - \$7,410). The decrease in cash used in investing activities is primarily attributed to expenses incurred for the Company to carry out the Phase I exploration program on the Hot Property in 2015.

Cash provided in financing activities during the three months ended June 30, 2016 was \$8,768 (2015 - \$Nil). The increase in cash provided by financing activities is primarily attributed to the proceeds from issuance of common shares of the Company for agent warrants exercised.

Years ended March 31, 2016 and 2015

Cash balances decreased by \$129,589 during the years ended March 31, 2016 (2015 – increased by \$266,082).

During the year ended March 31, 2016, cash used in operating activities was \$68,569 compared to cash used by operating activities of \$121,578 during the year ended March 31, 2015. The decrease in cash used in operating activities is primarily attributed to costs associated with the Offering and financial reporting in 2015.

Cash used in investing activities during the year ended March 31, 2016 was \$74,678 compared to cash provided by investing activities of \$92,011 during the year ended March 31, 2015. The cash used in

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investing activities is primarily attributed to expenses incurred for the Company to carry out the Phase I exploration program on the Hot Property.

Cash provided in financing activities during the year ended March 31, 2016 was \$13,658 (2015 - \$479,671). The decrease in cash provided by financing activities is primarily attributed to the proceeds from issuance of common shares of the Company from the Offering in 2015. Cash provided in financing activities during the year ended March 31, 2016 was from the proceeds of \$13,658 for agent warrants exercised.

Stock options

During the three months ended June 30, 2016 and the year ended March 31, 2016, no options were granted, exercised or expired.

Warrants

During the three months ended June 30, 2016, the Company issued 58,456 common shares at \$0.15 per share for proceeds of \$8,768 for agent warrants exercised. Upon exercise, the fair value of \$7,884 was reallocated from warrant reserve to share capital.

During the year ended March 31, 2016:

During the year ended March 31, 2016, the Company issued 91,056 common shares at \$0.15 per share for proceeds of \$13,658 for agent warrants exercised. Upon exercise, the fair value of \$12,280 was reallocated from warrant reserve to share capital.

On April 13, 2016, the Company issued 54,462 common shares at \$0.15 per share for proceeds of \$8,169 for agent warrants exercised.

OUTSTANDING SHARES

As of June 30, 2016, the Company had 9,609,936 issued and fully paid common, 900,000 share options, and 33,988 warrants outstanding.

	Number of shares	Share capital
Balance, March 31, 2015	9,310,424	\$ 766,097
Shares issued for exploration and evaluation assets	150,000	36,000
Shares issued for warrants exercised	91,056	13,658
Fair value of agent warrants exercised	-	12,280
Balance, March 31, 2016	9,551,480	\$ 828,035
Shares issued for warrants exercised	58,456	8,768
Fair value of agent warrants granted	-	7,884
Balance, June 30, 2016	9,609,936	\$ 844,687

As of the date of this report, the Company had the following outstanding shares, options, and agent warrants balances:

- 9,609,936 common shares;
- 900,000 options;
- 33,988 agent warrants.

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OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2016 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. Repayment terms, if any, are determined at the time of the advance.

Due to related parties:

	June 30, 2016	March 31, 2016
	- \$ -	- \$ -
Amount due to a company controlled by the CEO	14,700	21,000
Amount due to a company controlled by the CFO	8,675	7,500
	23,375	28,500

During the year ended March 31, 2015, the Company granted 900,000 share options to the officers and directors of the Company. The options granted to related parties were valued at \$127,455:

	June 30, 2015	
	Number of options	Share-based payment
		- \$ -
Bryce Clark, CEO	400,000	56,647
Zara Kanji, CFO	200,000	28,323
John Ostler, Director	100,000	14,162
Carlo Nigro, Director	100,000	14,162
Marsha Panar, Director	100,000	14,162
	900,000	127,455

During the three months ended June 30, 2016 and 2015, the Company incurred the following amounts through transactions with the CEO and CFO of the Company:

	June 30, 2016	June 30, 2015
	- \$ -	- \$ -
Management fees	10,500	10,500
Accounting fees	3,000	2,000
	13,500	12,500

As at June 30, 2016, the Company had \$23,375 (March 31, 2016 - \$28,500) due to companies controlled by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company.

The Company entered into an option agreement dated February 14, 2011 with three optionors, one of which is a director of the Company, and on September 25, 2014, the Company issued 50,000 common shares at \$0.15 per share to the director per the option agreement. Pursuant to the option agreement, the Company issued 50,000 common shares at \$0.24 per share to the director on July 31, 2015.

PROPOSED TRANSACTIONS

As of June 30, 2016, the Company had no proposed transactions

CRITICAL ACCOUNTING ESTIMATES

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

In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

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

i) **Exploration and Evaluation Expenditures**

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

ii) **Income Taxes**

The Company has not recognized a deferred tax asset, as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

New Accounting Standards, Amendments and Interpretations Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC are mandatory for accounting periods noted below. None of these are expected to have a significant effect on the financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is for annual reporting periods beginning on or after January 1, 2018.

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For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the audited financial statements for the year ended March 31, 2016 that are available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

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 not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.

e) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

RISKS AND UNCERTAINTIES

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

Limited Operating History

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business

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enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is

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likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

No Mineral Reserves or Mineral Resources

The properties in which the Company holds an interest is considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

OTHER MATTERS

Commitments:

The Company entered into Flow-through Share Subscription Agreements in the calendar year ended December 31, 2014 whereby it is committed to incur on or before December 31, 2015 a total of \$150,000 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada.

By December 31, 2015, the Company had successfully fulfilled CEE obligations pursuant to the Flow-through Share Subscription Agreements.

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, risks that actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR. 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.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing exploration and development activities on its mineral properties, and the Company's ongoing evaluation of possible projects.