GLOBAL ENERGY METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED MARCH 31, 2017

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains “forward-looking statements” within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as “believe”, “intend”, “may”, “will”, “should”, “plans”, “anticipates”, “believes”, “potential”, “intends”, “expects” and other similar expressions. Forward-looking statements reflect our current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company’s forward-looking statements are based include the following:

- the prices for based metals will not fall significantly;
- the Company will be able to secure new financing to continue its exploration, development and operational activities;
- there being no significant adverse changes in currency exchange rates;
- there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;
- the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company’s operations;
- the Company’s ability to achieve its growth strategy;
- the Company’s operating costs will not increase significantly; and

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company’s forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Management's Discussion and Analysis. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated of May 29, 2017, provides a review of the activities, results of operations and financial condition of Global Energy Metals Corp ("Global Energy" or "Company") as at and for the nine months ended March 31, 2017, as well as future prospects of the Company. This MD&A should be read in conjunction with the unaudited interim condensed financial statements of the Company as at and for the nine months ended March 31, 2017 (the "interim financial statements') together with the MD&A and audited financial statements of the Company as at and for the period from April 27, 2015 (incorporation) to June 30, 2016 (the "Audited Financial Statements"). All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars).

1.2 Overall Performance

1.2.1 General

The Company is a private company incorporated under the provisions of the British Columbia Business Corporations Act on April 27, 2015.

The Company is a reporting issuer under the *Securities Act* (British Columbia) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at www.sedar.com.

The Company's head office is located at Suite 1501-128 West Pender Street, Vancouver, British Columbia, V6B 1R8, and its registered and records office is located at suite 530-355 Burrard Street, Vancouver, BC. V6C 0B2.

1.2.2 Stated Business Objectives

The Company is engaged in project level investments in the resource sector, with a focus on late stage, near-development and in-production "world class" mining projects globally. The Company's strategy is to co-invest and pre-invest in metals and mining projects, alongside GEMC's select off-take and strategic partners, in long-term accretive projects. GEMC's investment focus is on robust projects, which have been significantly de-risked and are positioned in the lower half of their sector's cost curve, thus increasing the potential for strong capital gains throughout the commodity life cycle.

The company targets high quality metals and mining companies with an emphasis on those metals associated with the rechargeable battery market and energy storage sector. GEMC's strategy is to aggregate primary cobalt and other battery metals projects positioned to supply accelerating market demand for battery materials, within a diversified portfolio designed to hedge individual commodity and stand-alone project risk.

The Company's continuing operations, as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

1.2.3 Recent Developments

On August 25, 2016, the Company consolidated its share capital on the basis of one post-consolidation common share for every fifteen pre-consolidation common shares. All the issued and outstanding common shares, options and warrants were retrospectively restated to reflect this consolidation.

On August 26, 2016, the Company completed shares for debt settlement, where the Company issued 10,709,332 shares of the Company with a fair value of $1,606,400 for settlement of a loan from related party and accounts payables totaling $2,677,333. Gain on settlements of $531,589 was recognized in net income and $539,344 was recognized in equity (Notes 6 and 8).

On September 20, 2016,The Company issued 10,621,486 units at $0.15 per unit for a total gross proceeds of $1,593,223, of which $620,185 was received subsequent to the period end (Note 4). Each unit issued consists of one common share at a price of $0.15 per share and one transferable share pruchase warrant. Each warrant shall be exercisable to aquire an additional common share at a price of $0.20 per share for a period of 12 months follwoing the lisitng of the Company's common shares on the TSX Venture Exchange. The warrants contain an acceleration provision, whereby in the event the Company completes a future equity financing at a price equal to or greater than $0.20, the expiry date of the warrants will be reduced to 60 days following the completion of such financing.

On closing of the private offering, finders were paid an agrregate commission comprised of $158,051 in cash and 358,600 in finder's warrants. Each finder's warrant will be exercisable to purchase 1 additional common share at $0.20 per share on or before September 19, 2017.

The fair value of the finder's warrants were calculated to be $16,000 using the Black-Scholes Princing Model and the following assumptions:

Expected life:	0.96 year
Risk free rate:	0.54%
Expected volatility:	100%
Expected dividend rate:	0%
Expected forfeiture rate:	0%

1.2.4 Property Holdings

At March 31, 2017, the Company's interests in exploration and evaluation assets are located in Ontario, Canada.

Werner Lake Cobalt Project

The Werner Lake property is located in northwestern Ontario, near the Ontario-Manitoba border in the Kenora Mining District. The project area covers favourable horizons in the Werner Lake

Geological Belt that hosts numerous cobalt-copper and base metal showings, deposits and past producing mines. The two largest cobalt deposits defined to date are the Werner Lake Minesite Deposit and the West Cobalt Deposit, both controlled by GEMC. The area has seen extensive exploration and development work since the original discovery of cobalt in 1921. Limited production of cobalt ore occurred between 1932 and 1944. During World War II, Werner Lake was mined to a vertical depth of 10 metres; 65.1 tonnes of cobalt was produced from 2,955 tonnes of ore (average grade 2.2% Co).

The most significant work was undertaken by Canmine Resource Corporation ("Canmine") between 1995 and 2002. During this time Canmine carried out extensive drilling and exploration work leading to the discovery of additional mineralized lenses beneath the old workings, now referred to as the Minesite Deposit (or "Old Mine Site"). The West Cobalt Deposit is located about 500 metres west of the Minesite Deposit and was also discovered during the exploration program. Subsequent metallurgical testing, underground rehabilitation and development work, and engineering studies culminated in a feasibility study that indicated a small scale (300 tpd) underground mining operation was possible.

The historical resource was based on 217 diamond drill holes totaling 27,894 metres of coring and underground exploration that advanced 258 metres of ramp, drifts and raises to better explore and define the West Cobalt Deposit. A Feasibility Study was commissioned and completed in 1999. Based on that work a historical resource base containing 7,435,865 pounds of cobalt was established. Canmine continued with extensive engineering work until 2002 when the company filed for bankruptcy.

The total identified historic reserve and resource in the proven, probable, indicated and inferred categories was delineated as follows by Canmine:

Werner Lake Mineral Belt Resource Estimate

Category[1]	Mining Area	Tonnes	Co %	Co Lbs	Cu %	Co lbs	Au opt	Au oz
	Lense 1 & 2	17,145	0.46	173,872	0.14	52,918	0.022	377
	Lens 3	34,476	0.72	547,247	0.30	228,020	0.005	172
	West Cobalt	82,210	0.37	670,595	0.27	489,353	0.006	493
	Stockpile	6,200	0.50	68,343	0.30	41,006	0.009	56
Proven	Sub-total	140,031	0.47	1,460,058	0.26	811,297	0.008	1,099
Probable	West Cobalt	40,829	0.25	225,031	0.43	387,054	0.030	1,225
Indicated	West Cobalt	51,456	0.13	147,473	0.20	226,882	0.003	154
	West Cobalt	383,647	0.37	3,129,448	0.27	2,283,651	0.006	2,302
	West Cobalt	430,663	0.18	1,709,009	0.29	2,753,403	0.015	6,460
	Minesite	55,068	0.63	764,846	0.24	291,370	0.011	606
Inferred	Sub-total	869,378	0.29	5,603,303	0.28	5,328,425	0.011	9,368

1 Terminology for mineral resource calculations conforms with nomenclature recommendations by the CIM Ad Hoc Committee on Mineral Resource Classification tabled March 1997 as presented in an internal Canmine technical report dated October 1998. The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data. Please refer to the "Werner Lake Mineral Belt Properties Technical Report" by Gerald Harper, Ph.D., P.Geo. (On), dated March 22, 2011 and revised June 23, 2011 and May 26, 2015.

Global Cobalt Corp ("GCO") (previously Puget Ventures) acquired the key patented claims in 2008 and staked or acquired a significant package of land within the Werner Lake Belt at the same time. Additional diamond drilling by GCO in 2009-2010 (7,565 metres in 33 drill holes) has added to the resource database and suggests the deposit remains open for exploration. The targeted completion of NI 43-101 compliant resource was not finalized, though the database is intact and an engineering group is prepared to complete this document at GEMC's direction.

Excellent opportunities exist for the definition of additional high-grade cobalt mineralised zones at these two deposits and at other locations throughout the Werner Lake Geological Belt.

Geology

The Werner Lake Geological Belt is part of the Archean English River Subprovince of the Superior Province in Ontario, and is defined by a deep-seated fault that is believed to have ruptured the Superior Geological Province or craton. The fault zone is up to 500 metres wide and dips near vertical. The entire area of the fault has been termed the Cu-Ni-PGE zone. At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50 metre wide U-shaped valley.

At Werner Lake, high-grade cobalt-copper mineralisation occurs in stacked lenses of sulphide mineralisation that occupy tensional structures intruded by gabbroic pegmatites to produce skarnoid assemblages. Mineralization is located within or adjacent to rock masses ranging in composition from ultramafic to mafic units and their metamorphosed equivalents, primarily as disseminated bodies but locally with sulphide concentrations reaching massive texture. The deposits tend to be elongated in the down plunge direction that varies between a 30 degrees plunge and near vertical in attitude.

The Werner Lake project is underlain by a relatively complex sequence of east-west striking, steeply dipping, highly metamorphosed migmatites, ultramafics, altered mafic volcanic rocks, lesser metasedimentary sequences, plus diverse granitoid intrusive rocks. The ultramafic sequence represents deformed, dislocated lenses that originally formed a (semi)-continuous, thicker mafic-ultramafic igneous sill, possibly with a shallow emplaced volcanic component. Local metamorphism is to granulite phase with retrograde to amphibolite-greenschist locally.

Structure appears to have had the greatest control on mineralization, with the ultramafic magma intruded along the fault from deep in the crust.

The cobalt deposits are believed to have formed in the middle-depth area of the fault zone as distal skarn deposits derived from a gabbroic pegmatite. The gabbroic pegmatite, probably derived from the ultramafic intrusion, is believed to have moved tens of kilometres along the various faults until it encountered a calcium-bearing amphibolite that acted as a reductant with the deposition of the cobalt, copper and gold. Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and altered amphibolite skarn assemblage (garnet-biotite-magnetite). Others ascribe a syngenetic exhalative or diagenetic origin to the Werner Lake mineralization. Gold occurs erratically, and is found predominantly in the high cobalt and/or copper alteration shells.

The West Cobalt Deposit has a drill-indicated strike length of 379 metres and dips near vertically. The horizontal thickness of the deposit ranges from 1.0 to 9.58 metres. The deposit is open down-dip to the east (Figure 4). Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and garnet-biotite-amphibole-magnetite gneiss in the West Cobalt Deposit.

Exploration drilling by Canmine in the late 1990's indicated "excellent additional reserve development potential" exist as the deposits are open at depth. More recent work by GCO (2009-2010) appears to support this conclusion, noting that significance should be paid to structural controls on mineralisation at the deposit.

It is apparent that mineralised widths, certainly for cobalt, are relatively narrow, in the order of <1-3 metres. Cobalt rich zones consist of various combinations of pyrite, pyrrhotite, chalcopyrite, cobaltian pyrite, cobaltite, pentlandite, and arsenopyrite. Sulphide habit is typically disseminated, stringer/veinlet, with concentrations up to 40% (rare) over 10 to 30 centimetre widths of remobilised and replacement material.

Canmine also recognized the potential for very high-grade (up to 20% Co) lenses of limited size within mineralised zones. These high grade sections that were assayed at up to 20% cobalt were intersected by both surface drilling and underground drifting and could represent significant updside to the project's cobalt output. The potential economic impact of these lenses is important and a thorough understanding of the structure of the deposit is critical to future work.

Engineering Work (Canmine)

Detailed engineering studies were undertaken by SNC-Lavelin ("SNC") to prepare a development plan and determine the most cost effective mining techniques to be employed at Werner Lake. Due to the variability of the mineralised zones, SNC recommended shrinkage mining at the West Cobalt Zone and Lens 1 and 2 at the Old Mine Site, opting for long-hole open-stope mining being employed at Lens 3. Details including fleet requirements, ventilation, ground support, a development plan and other mining details were laid out in a 2002 report authored by SNC. Detailed cost estimations included: shrinkage costs of $12.32 per tonne, long-hole costs of $9.47 per tonne, ramp development costs of $1,121.72 per metre, raise development costs of $945.07 per metre and haul drift, draw point and other access costs of $1,067.31 per metre. A 300 tonne production rate per day over a 5-day week was assumed. From 1997 to 1998 extensive exploration was undertaken through the decline and also through a sub-drift that was driven 107 metres within the ore zone to obtain a 4,094 tonne bulk sample.

Metallurgical studies have shown that excellent cobalt recoveries can be yielded from a standard flotation mill process followed by a low-pressure oxidative hydrometallurgical leach (net recovery 88%), to produce a cobalt carbonate end product. At the time of this work Canmine received written offers or indicative term sheets from companies around the world for the purchase of the cobalt carbonate product, which reportedly averaged 27% cobalt and 6% copper content.

1.2.5 Selected Annual Financial Information

The following table presents selected financial information for the period April 27, 2015 (Incorporation) to June 30, 2016. The results are presented in accordance with IFRS.

	Period from April 27, 2015 (Incorporation) to June 30, 2016 -$-
Revenue	-
Loss and comprehensive loss	(365,653)
Basic and diluted loss per share	(0.15)
Total assets	3,047,585
Total long-term financial liabilities	-

1.2.6 Results of Operations

For the nine months ended March 31, 2017 the Company reported a loss from operations of $911,253 (2016 – $112,689) or $0.01 per share (2016 - $0.08) and a net loss of $85,169 (2016 – $112,689). During this period, significant changes in expenses occurred in the expense categories described below:

	Three months ended March 31, 2017	2016	Nine months ended March 31, 2017	Period April 27, 2015 (Incorporation) to March 31, 2016
	- $ -	- $ -	- $ -	- $ -
Expenses				
Interest expense	-	-	73,065	-
Consulting fees	238,305	-	348,679	-
Management fees	44,100	12,000	131,100	63,000
Marketing and corporate development	80,423	-	169,561	30,000
Filling fees	27,210	176	56,200	2,212
Professional fees	59,424	-	83,886	-
General administrative and office	30,475	-	48,762	17,477
Total expenses	(479,937)	(12,176)	(911,253)	(112,689)

1.2.7 Summary of Quarterly Results

The Company was incorporated on April 27, 2015 and has not had operation activities for the prior eight quarters to report. The following table sets out certain unaudited interim financial information of the Company for each of the last 4 quarters, beginning with the last quarter of fiscal 2016. This financial information has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB").

	Q3, 2017	Q2, 2017	Q1, 2017	Q4, 2016
	$	$	$	$
Net revenues	-	-	-	-
Loss and conprehensive loss (gain)	472,344	(116,673)	(298,960)	228,099
Loss per share	(0.03)	(0.00)	(0.04)	(0.04)

	Q3, 2016	Q2, 2016	Q1, 2016	Q4, 2015
	$	$	$	$
Net revenues	-	-	-	-
Loss and conprehensive loss	116,378	12,176	-	-
Loss per share	(0.03)	(12,176)	-	-

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties, write off the deferred expenses or granted any stock options.

1.2.8 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At March 31, 2017, the Company had $894,699 in cash (June 30, 2016 - $Nil).

1.2.9 Capital Resources

The Company's working capital of $1,110,272 at March 31, 2017 (June 30, 2016 – ($3,483,997)).

1.2.10 Fourth Quarter

N/A

1.2.12 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 4 to the Audited Financial Statements for the year ended June 30, 2016. The preparation of the Audited Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Audited Financial Statements included the following:

Provisions and contingencies

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

1.2.13 Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS for the year ending June 30, 2015. There were no changes in accounting policies for the year ending June 30, 2016.

Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending June 30, 2016 and have not been applied when preparing the Company's financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of the Company.

Financial Instruments and Other Instruments

Financial liabilities included in the statement of financial position are as follows:

At March 31, 2017, the accounts payable and accrued liabilities balance consisted of accounts payable of $128,874 (2016 - $1,290,258), accrued liabilities of $10,000 (2016 - $Nil) and amounts due to related parties of $8,924 (2016 - $353,869).

Loans Payable

Loan from related party:		
Balance, June 30, 2016	$	1,288,578
Interest accrued		59,781
Shares for debt Settlement		(1,348,359)
Balance, March 31, 2017	$	-
Convertible debenture:		
Balance, June 30, 2016	$	292,223
Repayment		(110,000)
Assignment to account payables		(60,754)
Gain on debts forgiven		(99,253)
Interest accrued		13,282
Balance, March 31, 2017		$35,498
Total		$35,498

Fair value

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 Unobservable inputs that are not based on observable market data.

At March 31, 2017, the Company's financial instruments are comprised of cash. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. 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 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's has exposure to credit risk on its deposits. The maximum exposure to loss arising from deposits is equal to their carrying amounts.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at March 31, 2017:

	Due on demand	Within one year	Between one and five years	More than five years
	-$-	-$-	-$-	-$-
Accounts payable and accrued liabilities	138,874	-	-	-
Convertible debenture	35,498	-	-	-
	174,372	-	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an on going basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

1.2.14 Other MD&A Requirements

Disclosure of Outstanding Share Data

At March 31, 2017 and May 29, 2017 there were 35,391,297 outstanding common shares and 19,901,752 share purchase warrants and 2,661,894 stock options.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

1.2.15 Subsequent Events

On May 1, 2017, the Company entered into a binding letter agreement with Hammer Metals Ltd. for the exclusive right to earn up to a 75% interest, in the Millennium Cobalt Project, an advanced mineral exploration and development property located in the famed Mount Isa mining region of Australia.